

EARL OF CHESTER'S FUND

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 April 2022**

Charity Number: 1119422

EARL OF CHESTER'S FUND

CONTENTS OF THE FINANCIAL STATEMENTS

For the year ended 5 April 2022

	Page
Charity Information	2
Report of the Trustees	3 – 5
Independent Examiner's Report to the Trustees	6
Statement of Financial Activities	7 – 8
Balance Sheet	9
Notes to the Accounts	10 – 12

CHARITY INFORMATION

For the year ended 5 April 2022

Reference and Administrative Details

- | | | |
|---|--|---|
| 1 | Charity Registration Number: | 1119422 |
| 2 | Charity correspondence address
St John’s Chambers
Love Street
Chester
Cheshire
CH1 1QN | |
| 3 | Trustees
The Trustees who served during the year and up to the date of this report are set out as follows:

Mr R B Witter
Mr R E Harries
Mr N S Jenkins
Mr R S Lea
Mr D O Pickering
Mr J M Iles
Professor K Sykes
Mr A Jeffcott
Mr N J Spall |

Retires 2022 AGM. Eligible for re-election
Chairman.
Hon. Treasurer
Hon. Secretary

Resigned 20 October 2021
Retires 2022 AGM. Eligible for re-election |
| 4 | Bankers
HSBC plc
PO Box 16
47 Eastgate Street
Chester
CH1 1XW | |
| 4 | Independent Examiner
Mr J A McLintock FCA | |

EARL OF CHESTER'S FUND

REPORT OF THE TRUSTEES

For the year ended 5 April 2022

Structure, Governance and Management

- **Constitution**

The charity was established under a Trust Deed on 13th March 2007. It was registered as a charity on 30th 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 1st 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.

Eighteen (2020 - Nine) 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 2022

Financial Review

The net incoming resources for the year amounted to £173,890 (2021 - £149,126).

The funds available to carry forward comprise £2,263,349 as an Endowment Fund, £16,500 as a designated reserve and £62,866 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 £78,644 (2021 - £76,808). The investment properties were revalued in 2020 resulting in a £371,228 revaluation gain. There were no gains on any investment properties held by the Charity in 2022.

Gift Aided donations totalling £156,000 (after recovery of Gift Aid) (2021 - £127,525) were received in the year. Other donations received in the year totalled £ 28,496 (2021 - £Nil). Donations made by the charity for charitable purposes in the year totalled £68,135 (2021 - £25,750).

- **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.

EARL OF CHESTER'S FUND

REPORT OF THE TRUSTEES (continued)

For the year ended 5 April 2022

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They 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.

The trustees' annual report was approved on 3rd May 2022 and signed on behalf of the board of trustees by:

R E Harries
Chairman

3rd May 2022

EARL OF CHESTER'S FUND

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

For the year ended 5 April 2022

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 2022.

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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

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
19 October 2022

EARL OF CHESTER'S FUND

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 5 April 2022

	Unrestricted Funds £	Endowment Funds £	2022 Total Funds £	2021 Total Funds £
Income and endowments:				
Donations and legacies - Donations	-	120,000	120,000	102,020
Donations and legacies – Gift Aid	-	36,000	36,000	25,505
Investment income - rent	78,644	-	78,644	76,808
Other donations	28,496	-	28,496	-
Uplift in revaluation of investment asset	-	3,448	3,448	-
Uplift in revaluation of investment properties	-	-	-	-
Total income and endowments	107,140	159,448	266,588	204,333
Expenditure:				
Expenditure on charitable activities:				
Charitable donations:				
Clonter Outreach programme	4,000	-	4,000	-
Hammond School - Scholarship Aid	4,750	-	4,750	4,750
Royal Chester Rowing	3,500	-	3,500	-
National Youth Choirs of GB	1,000	-	1,000	-
Tattenhall Recreation Club	2,000	-	2,000	-
The Lord's Taverners	2,000	-	2,000	-
Cheshire Youth Carers	2,000	-	2,000	-
Passion for Learning	2,000	-	2,000	-
Royal Northern College of Music	1,000	-	1,000	1,000
Chester Music Society	4,000	-	4,000	-
The Bren Project	2,000	-	2,000	-
Fallen Angels Dance Theatre	3,000	-	3,000	-
Cycling without Age	5,000	-	5,000	-
Cheshire's Jubilee Community Film	10,000	-	10,000	-
Chester Mystery Plays	10,000	-	10,000	-
Chester Swimming Association	10,000	-	10,000	-
National Youth Choir	1,360	-	1,360	-
Chester Adult Phab Social Club	525	-	525	-
Previous Year - Sixteen other donations	-	-	-	20,000
	68,135	-	68,135	25,750
Expenditure on raised funds:				
Property costs				
Management fees	5,621	-	5,621	5,630
Insurance	1,610	-	1,610	1,558
Repairs	12,857	-	12,857	16,667
Council tax	881	-	881	692
Light, heat & water	1,966	-	1,966	1,586
Marketing fees	936	-	936	1,872
Bank charges	20	-	20	-
Deposit and referencing fees	672	-	672	1,452
	24,563	-	24,563	29,457
Total Expenditure	92,698	-	92,698	55,207

(continued overleaf)

EARL OF CHESTER'S FUND

STATEMENT OF FINANCIAL ACTIVITIES (continued)

For the year ended 5 April 2022

	Unrestricted Funds £	Endowment Funds £	2022 Total Funds £	2021 Total Funds £
Net income for the year	14,442	159,448	173,890	149,126
Funds brought forward	64,924	2,103,901	2,168,825	2,019,699
Funds carried forward	<u>79,366</u>	<u>2,263,349</u>	<u>2,342,715</u>	<u>2,168,825</u>

The annexed notes form part of these financial statements.

EARL OF CHESTER'S FUND

BALANCE SHEET

As at 5 April 2022

	Note	2022 £	2021 £
FIXED ASSETS:			
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>
INVESTMENTS at valuation			
The Charlotte Scott Violin Trust	5	39,642	36,194
CURRENT ASSETS:			
Cash at bank and in hand		590,073	419,631
TOTAL ASSETS		<u>2,342,715</u>	<u>2,168,825</u>
RESERVES:			
Unrestricted Endowment Fund	6	2,263,349	2,103,901
Other Unrestricted Funds:			
General Fund	6	62,866	48,424
Designated Fund - Property Maintenance	6	16,500	16,500
Total charity funds		<u>2,342,715</u>	<u>2,168,825</u>

Approved by the Board of Trustees on 3rd May 2022

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 2022

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 Deposit Protection Service Custodial Scheme. At 5th April 2022, these amounted to £7,884 (2021 - £8,554).

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 2022

5 INVESTMENTS

The investment consists of 24,593 shares of £1 each (2021 - 24,593 shares), at a cost of £24,593 (2021 - £24,593), in the Charlotte Scott Violin Trust.

The market value of the investment, which represents 6.9% (2021 - 6.9%) of the total trust value, as at 31st December 2021 (the date of the latest valuation by Ingles & Hayday, Wigmore Street, London, W1U 3RF) was £39,642 (2021 - £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 (2021 - £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 £6,000 (2021 - £9,000) over the next two (2021 – three) 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

Donations made by trustees during the year without conditions totalled £124,495 (2021 - £101,500).

No remuneration or expenses were paid to any trustee during the year (2021 - £ Nil).

EARL OF CHESTER'S FUND

NOTES TO THE ACCOUNTS (continued)

For the year ended 5 April 2022

9 INVESTMENT PROPERTIES HELD AT FAIR VALUE

	2022	2021
	£	£
Carrying (fair) value at beginning of period	1,713,000	1,713,000
Add gain on revaluation to revaluation reserve	<u>-</u>	<u>-</u>
Carrying (fair) value at end of year	<u>1,713,000</u>	<u>1,713,000</u>

10 STATEMENT OF CASHFLOWS

	2022	2021
	£	£
Net movement in funds	173,890	149,126
Deduct: Gift of endowment	(159,448)	(127,525)
Net cash generated by/(used in) operating activities	<u>14,442</u>	<u>21,601</u>
Revaluation of investment assets	(3,448)	-
Revaluation of investment properties	-	-
Cash flows from financing activities:		
Receipt of expendable endowments	159,448	127,525
Change in cash and cash equivalents in the year	<u>170,442</u>	<u>149,126</u>
Cash and cash equivalents brought forward	419,631	270,505
Cash and cash equivalents carried forward	<u>590,073</u>	<u>419,631</u>