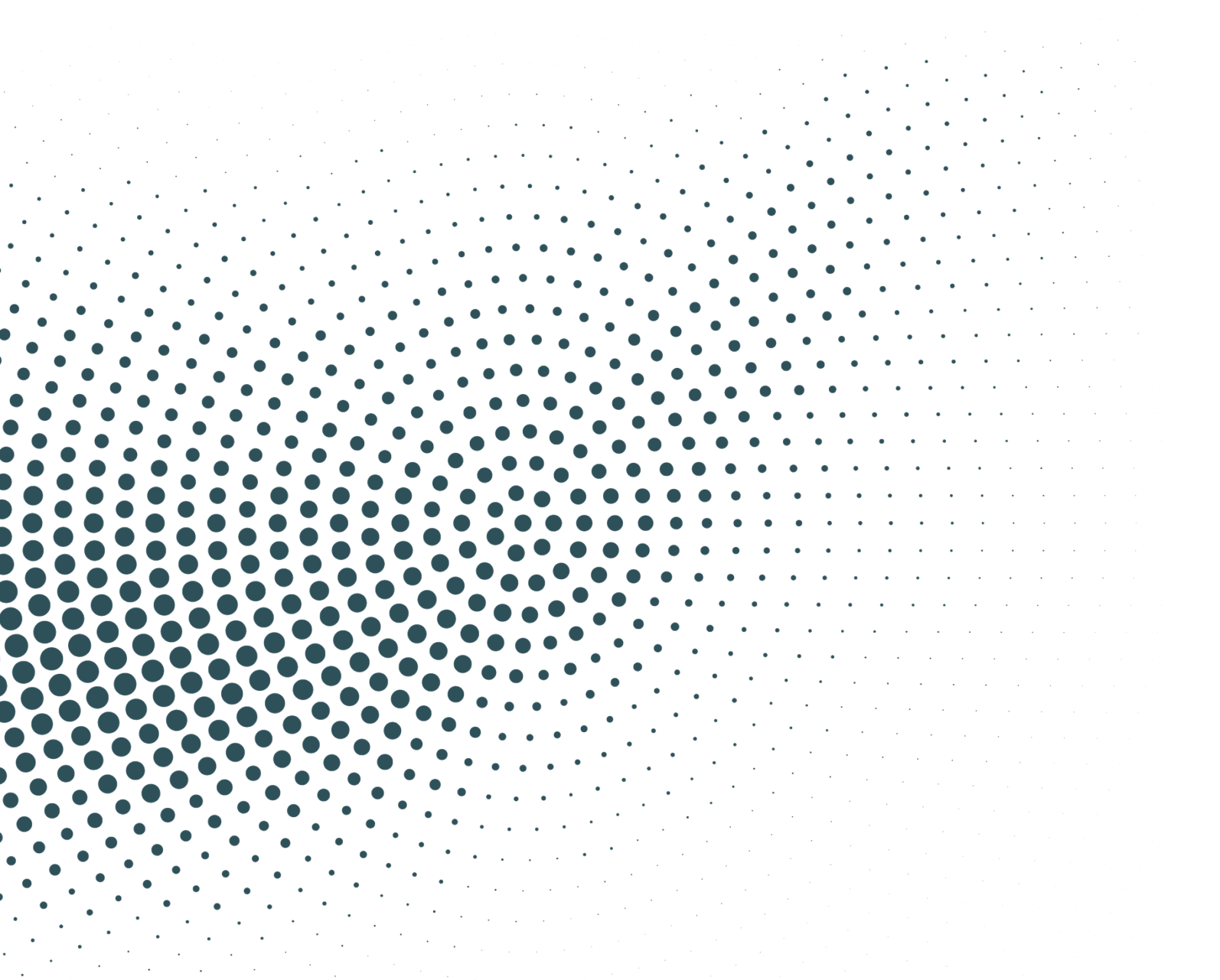


EARL OF CHESTER'S FUND
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2024



EARL OF CHESTER'S FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr RB Witter
Mr RE Harries
Mr NS Jenkins
Mr RJS Lea
Mr DO Pickering (retires 2024 AGM -
eligible for re-election)
Professor K Sykes
Mr DC Starbuck-Edwards
Major MG Huntriss

Senior management

RB Witter
RE Harries
NS Jenkins
RSJ Lea

Chairman

Hon. Secretary. Retires 2024
AGM - eligible for re-election

Charity number

1119422

Independent examiner

John McLintock
2 Windmill Rise
Upton
Chester
CH2 1HS

EARL OF CHESTER'S FUND

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4 - 5
Balance sheet	6
Notes to the financial statements	7 - 15

EARL OF CHESTER'S FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2024

The trustees present their annual report and financial statements for the year ended 5 April 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Charities Act 2011 and "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).

Objectives 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.

Twenty five (2023 - Seventeen) charitable donations were made in the current year. Others are under consideration for future periods.

Financial review

The net incoming resources for the year amounted to £199,058 (2023 - £261,365). Net income earned in the General Fund before donations totalled £100,171 (2023 - £65,476).

The funds available to carry forward comprise £2,653,223 as an Endowment Fund, £16,500 as a designated reserve and £133,415 as a general reserve.

Interest rates have remained low for several years until recently. Consequently, the trustees decided some years ago to invest the charity's assets in domestic rental 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 £145,155 (2023 - £109,533). 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 2023. With interest rates rising in the last year, the trustees have decided to invest surplus funds in bank deposits. In 2023, the trustees also decided to invest in commercial property as a diversification from pure domestic rentals.

Gift Aided donations totalling £125,000 (after recovery of Gift Aid) (2023 - £155,000) were received in the year. Other donations received in the year to the General Fund totalled £Nil (2023 - £Nil). Donations received in the year to the Endowment Fund totalled £28,636 (2023 - £76,068). Donations made by the charity for charitable purposes in the year totalled £54,748 (2023 - £40,350).

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 hold the charity's funds in domestic and commercial properties and surplus funds are held on deposit.

Grant-making policy

The charity aims to distribute its annual net income each year (other than sums allocated to endowment funds or retained under the reserves policy).

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 dependent upon the generosity of its donors and income generated by its assets. The key priorities for the future are to continue to support local charities and other worthwhile causes in Cheshire.

EARL OF CHESTER'S FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

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.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr RB Witter

Mr RE Harries

Mr NS Jenkins

Mr RJS Lea

Mr DO Pickering (retires 2024 AGM - eligible for re-election)

Professor K Sykes

Mr DC Starbuck-Edwards

Major MG Huntriss

The trustees' report was approved by the Board of Trustees.

Mr RE Harries

Chairman

23 October 2024

EARL OF CHESTER'S FUND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF EARL OF CHESTER'S FUND

I report to the trustees on my examination of the financial statements of Earl of Chester's Fund (the Charity) for the year ended 5 April 2024.

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.

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

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the financial statements in accordance with the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn. I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with UK Generally Accepted Accounting Practice.

I have completed my examination. I confirm that no 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 Charities Act 2011.
- 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 financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.

John McLintock

2 Windmill Rise

Upton

Chester

CH2 1HS

23 October 2024

EARL OF CHESTER'S FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2024

Current financial year		Unrestricted funds general	Unrestricted funds Property maintenance	Endowment funds	Total	Total
	Notes	2024 £	2024 £	2024 £	2024 £	2023 £
Income and endowments from:						
Donations and legacies	3	-	-	153,636	153,636	231,068
Investments	4	12,954	-	-	12,954	-
Other income	5	146,374	-	-	146,374	114,379
Total income and endowments		159,328	-	153,636	312,964	345,447
Expenditure on:						
Raising funds		59,158	-	-	59,158	48,902
Charitable activities		54,748	-	-	54,748	40,350
Total expenditure		113,906	-	-	113,906	89,252
Net gains/(losses) on investments	10	-	-	-	-	5,170
Net income and movement in funds		45,422	-	153,636	199,058	261,365
Reconciliation of funds:						
Fund balances at 6 April 2023		87,993	16,500	2,499,587	2,604,080	2,342,715
Fund balances at 5 April 2024		133,415	16,500	2,653,223	2,803,138	2,604,080

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

EARL OF CHESTER'S FUND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

Prior financial year		Unrestricted funds general	Unrestricted funds Property maintenance	Endowment funds	Total
	Notes	2023 £	2023 £	2023 £	2023 £
Income and endowments from:					
Donations and legacies	3	-	-	231,068	231,068
Other income	5	114,379	-	-	114,379
Total income and endowments		114,379	-	231,068	345,447
Expenditure on:					
Raising funds		48,902	-	-	48,902
Charitable activities		40,350	-	-	40,350
Total expenditure		89,252	-	-	89,252
Net gains/(losses) on investments	10	-	-	5,170	5,170
Net income and movement in funds		25,127	-	236,238	261,365
Reconciliation of funds:					
Fund balances at 6 April 2022		62,866	16,500	2,263,349	2,342,715
Fund balances at 5 April 2023		87,993	16,500	2,499,587	2,604,080

EARL OF CHESTER'S FUND

BALANCE SHEET

AS AT 5 APRIL 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investment property	12		2,316,171		2,316,171
Investments	13		44,812		44,812
			<u>2,360,983</u>		<u>2,360,983</u>
Current assets					
Debtors	14	-		14,359	
Cash at bank and in hand		442,155		228,738	
		<u>442,155</u>		<u>243,097</u>	
Net current assets			<u>442,155</u>		<u>243,097</u>
Total assets less current liabilities			<u>2,803,138</u>		<u>2,604,080</u>
The funds of the Charity					
Endowment funds	15		2,653,223		2,499,587
Unrestricted funds - general	17		133,415		87,993
Unrestricted funds - Property maintenance	16		16,500		16,500
			<u>2,803,138</u>		<u>2,604,080</u>

The financial statements were approved by the trustees on 23 October 2024

Mr RE Harries
Chairman

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

Charity information

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.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Endowment funds 2024 £	Endowment funds 2023 £
Donations and gifts	125,000	155,000
Other	28,636	76,068
	<u>153,636</u>	<u>231,068</u>
Donations and gifts		
Donations	100,000	124,000
Gift aid	25,000	31,000
	<u>125,000</u>	<u>155,000</u>
Grants		
	<u>-</u>	<u>-</u>

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

3	Income from donations and legacies	(Continued)
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4	Income from investments
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	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	12,954	-

5	Other income
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	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Insurance premiums reimbursed by tenant	1,219	1
Insurance recoveries on repairs	-	4,846
Domestic rents	98,155	71,058
Commercial rents	47,000	38,474
	146,374	114,379

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

6 Grants payable

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Grants to institutions:		
Clonter Outreach programme	4,000	4,000
Chester Operatic Society	1,312	
Platform for Life	5,500	5,000
Down Syndrome Cheshire	3,000	
PHAB	500	
Chester Folk Music Festival	2,500	1,500
Chester Rotary Club - Furniture	500	1,500
Adoption Matters	2,500	
Charles Halle Foundation	2,500	
Border Singers	1,500	
Top of the Tower Project	2,500	
Chester Scouts Jamboree	4,000	
Handicapped Children Action	2,000	
Neuromuscular Centre	1,252	
Chapter (West Cheshire)	2,000	
University Festival of Ideas	2,000	
Save the Family	5,000	5,000
Chester together for Christmas	2,000	
Schools Film Project	2,000	
Changing Lives Together	2,000	
Hospice of the Good Shepherd	1,384	2,000
Chester Photographic Society	800	
Royal Northern College of Music	1,000	1,000
Hammond School fees	3,000	3,000
9 other donations in 2023	-	17,350
	<u>54,748</u>	<u>40,350</u>

-

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

7 Support costs allocated to activities

	2024 £	2023 £
Management fee	11,008	5,115
Insurance	3,763	2,931
Repairs	37,349	34,346
Council tax	626	2,160
Other professional fees	185	1,680
Light, heat & water	-	1,480
Marketing fees	2,346	624
Bank charges	61	62
Deposit and referencing fees	1,852	504
Loss of rent insurance	1,968	-
	<u>59,158</u>	<u>48,902</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

10 Gains and losses on investments

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	-	5,170

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

12 Investment property

2024
£

Fair value

At 6 April 2023 and 5 April 2024

2,316,171

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 below. Any changes in fair value are recognised in income and expenditure.

Investment properties, at valuation:	2024 £	2024 £
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
3 Northgate Street, Chester	603,171	603,171
	<hr/>	<hr/>
	2,316,171	2,316,171

13 Fixed asset investments

Investments
£

Cost or valuation

At 6 April 2023 & 5 April 2024

44,812

Carrying amount

At 05 April 2024

44,812

At 05 April 2023

44,812

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	-	14,359

15 Endowment funds

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

	At 6 April 2023 £	Incoming resources £	Gains and losses £	At 5 April 2024 £
Permanent endowments	2,499,587	153,636	-	2,653,223
Previous year:	At 6 April 2022 £	Incoming resources £	Gains and losses £	At 5 April 2023 £
Permanent endowments	2,263,349	231,068	5,170	2,499,587

16 Unrestricted funds - Property maintenance

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 (2023 - £Nil) was transferred to this fund from the General Fund.

	At 6 April 2023 £	At 5 April 2024 £
	16,500	16,500
Previous year:	At 6 April 2022 £	At 5 April 2023 £
	16,500	16,500

EARL OF CHESTER'S FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

17 Unrestricted funds

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.

	At 6 April 2023 £	Incoming resources £	Resources expended £	At 5 April 2024 £
General funds	87,993	159,328	(113,906)	133,415
Previous year:	At 6 April 2022 £	Incoming resources £	Resources expended £	At 5 April 2023 £
General funds	62,866	114,379	(89,252)	87,993

18 Potential future committed funds

The Charity is committed to paying school fees totalling approximately £Nil (2023 - £3,000) over the next year (2023 – one year). 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.

19 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 2024, these amounted to £5,400 (2023 - £7,937).

20 Related party transactions

Donations were received from trustees during the year, without conditions, totalling £100,000 (2023 - £124,000). Donations, without conditions, totalling £28,636 (2023 - £76,068) were received during the year from a company over which a trustee has a controlling interest.

No remuneration or expenses were paid to any trustee during the year (2023 - £ Nil).