

# **The HM Tower of London Chapels Royal Foundation**

Report And Financial Statements  
for the year ended

*31 August 2022*

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
For the Year Ended 31 August 2022**

**Trustees**

General Sir Gordon Messenger KCB CBE DL, Chairman (appointed 1 August 2022)

General Lord Houghton of Richmond GCB CBE (resigned 1 August 2022)

Brigadier Andrew Jackson CBE

The Reverend Canon Roger J Hall MBE, Chaplain

Lieutenant General Sir Simon Mayall KBE CB (resigned 14 October 2021)

Mr Nicholas C Goulding FCA (resigned 9 November 2022)

Mr Christopher G Stainforth FCA

Ms Gillian Fletcher

The Reverend Canon Paul S Wright

Lieutenant General Sir George Norton KCVO CBE (appointed 15 October 2021)

Sir Andrew C Parmley KStJ (appointed 1 July 2022)

**Charity registered number**

1160859

**Registered office**

1 Tower Green, HM Tower of London, London, EC3N 4AB

**Independent auditor**

Blick Rothenberg Audit LLP, 16 Great Queen Street, London, WC2B 5AH

**Bankers**

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

**Investment Managers**

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

### TRUSTEES' REPORT

For the Year Ended 31 August 2022

The members of The HM Tower of London Chapels Royal Foundation ("The Foundation"), who are also the trustees of the Foundation for the purposes of the Charities Acts, have pleasure in presenting their report and financial statements for the year ended 31 August 2022. The Financial Statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Foundation'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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

### Structure and Governance

#### a. Constitution

The Foundation was constituted by deed on 10 March 2015 made jointly by The Lord Chamberlain, The Constable of Her Majesty's Tower of London and The Dean of Her Majesty's Chapels Royal and became effective on 12 March 2015, the date of Registration by The Charity Commission of the Foundation as a charitable incorporated organisation, registered number 1160859.

The Foundation was established to take over the assets of and undertakings then carried on by four charities ("the amalgamating charities") operating within HM Tower of London - The HM Tower of London Choral Foundation (Reg. No. 249306), The Association of Friends of the Chapel Royal within Her Majesty's Tower of London (Reg. No. 259429), The Constable's Fund (Reg.No. 275453) and The Council of the Chapels Royal within HM Tower of London (Reg.No.1142785). The Trustees of each of the amalgamating charities resolved on 9 June 2015 to transfer to the Foundation the assets and undertaking of the relevant charity with effect from 31 August 2015 having obtained necessary agreement from the Charity Commission and subsequently to apply to the Commission to remove that charity from the Central Register of Charities.

The Chapels Royal within HM Tower of London ("the Chapels") comprise The Chapel Royal of St Peter ad Vincula and The Chapel Royal of St John the Evangelist.

#### b. Governance

The Foundation is governed by its members, the Trustees. The *ex-officio* members are The Constable, the Governor and the Chaplain. In addition there are required to be no less than two co-opted members who serve for terms of up to three years, renewable by mutual consent. In addition, the Dean of the Chapels Royal may appoint a Trustee to serve during the pleasure of the Dean.

The Foundation meets at least twice each year and is served by a Secretary. In addition, a Chapel Council sub-committee and a Fund Raising sub-committee have been established whose membership includes both Trustees and others. Both sub-committees usually meet quarterly.

In addition to the reporting requirements of the Charity Commission, the Foundation reports annually to the Comptroller of the Lord Chamberlain's Office and gives to the Comptroller such information with regard to the affairs of the Foundation as the Comptroller may request.

### Objects, activities and public benefit

#### a. Objects

The objects of the Foundation are:

- a) to advance the religion of the Church of England by promoting the use of the Chapels as places of public religious worship and by supporting the Chaplain in the exercise of his ministry.
- b) to provide a Master of Music, an Assistant Master of Music and Organist, and a Choir with a view to ensuring that the musical content of Services is of the highest quality; to advise and assist the Chaplain in the promotion of the mission of the Church of England; and generally to provide facilities for the edification of

### **TRUSTEES' REPORT (continued)** **For the Year Ended 31 August 2022**

- those attending public religious services in the Chapels.
- c) to relieve persons in need who work or have worked within HM Tower of London and their dependants in need.
  - d) to co-operate with Historic Royal Palaces and other organisations in the presentation of the Chapels to the public as places of national heritage and historic interest.
  - e) to make grants to other charities and to apply funds for other charitable purposes.

#### **b. Activities for achieving objectives**

During the period under review the Foundation provided over 125 services in the Chapels. These services included regular Sunday services and some evening services held on feast days, as well as weddings and memorial services. In addition, there were joint services with neighbouring churches and also special services for members of other organisations, such as charities and livery companies. The Chapel Royal of St Peter ad Vincula is one of the regimental chapels of the Royal Regiment of Fusiliers, and as such provides annual commemorative or other services for members of a number of ex-service and other organisations. The Princess of Wales's Royal Regiment also have permission to use St Peter ad Vincula as one of their regimental chapels.

The Foundation provided advice to the Chaplain and supported him in his pastoral work and in the ministry which he exercises in and from the Chapels.

While Historic Royal Palaces (Charity No. 106682) maintains the physical structures and permanent fixtures of the Chapels, it is necessary for the Foundation to raise, from worshippers and supporters of the Chapels and others, the funds required to maintain the activities of the Chapels and to expand the reach of the Chapel's communities and the Chaplain's ministry. The Foundation also encourages the Chaplain in his outreach work in the London Borough of Tower Hamlets, which include some of the most deprived parts of the country. During the period under review, the Foundation extended this work by continuing a scheme for members of the congregation to support a Food Bank in Tower Hamlets.

During the period, the Foundation made provision for grants of £3,000 to certain other charities and also provided assistance to some charities to enable them to hold services in the Chapels.

As part of Historic Royal Places, the Tower of London benefited from an increase in the number of both domestic and international visitors this year. While short of pre-COVID visitor numbers, the trend is encouraging. Highlights of the year included Her Majesty Queen Elizabeth II's Platinum Jubilee, with a series of events and the launch of Superbloom – filling the Moat with flowers to celebrate this momentous occasion.

The chapel remains busy and in good heart. It has been a busy accounting year, with the usual round of weddings, baptisms, occasional services and Christmas Carol services. Concerts and other choir activities such as recording for the Channel 5 series 'Inside the Tower' have also taken place. Visitor numbers to the chapel remain high and the support from HRP and the Yeoman Warders is appreciated by everyone. Numbers attending the chapel have returned to normal after the pandemic and that was reflected through Holy Week and Easter and Christmas.

#### **c. Public Benefit**

When planning activities for the year, the Chaplain and the Trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the advancement of religion. The services exemplify faith through prayer and scripture, music and sacrament. The main services which are held in the Chapels are conducted not only for the benefit of those who work and live within the Tower of London, and for the regular extra-mural congregations, but also for the public generally, to facilitate wide public participation, arrangements are in place for members of the public to be admitted to the Tower of London free of charge if they wish only to attend services in the Chapels.

Nearly 3 million people would normally visit the Tower of London each year and a substantial number of them visit one or both of the Chapels. In so doing they experience the Chapels, not only as places of beauty and great significance in the history of the nation, but also as living places of worship.

**TRUSTEES' REPORT (continued)**  
**For the Year Ended 31 August 2022**

**d. Financial Review**

The Foundation was established in March 2015 but did not commence operating activities until immediately after the transfer of assets and undertakings of the amalgamating charities on 31 August 2015. The principal assets acquired by the Foundation comprised the Chapel Plate, Chapel furnishings and bank balances transferred by the Council of the Chapels Royal within the HM Tower of London and the listed investments and bank balances transferred by the three other amalgamating charities. The investments have been managed as a single portfolio but regarded as comprising three sub-funds, a Choral Fund, a Benevolent Fund and a General Fund into which specified proportions of the assets of the amalgamating charities.

In aggregate the net assets transferred, principally comprising investments, amounted to some £2.304m which was received by way of donation from the amalgamating charities. During the year from 1 September 2021 to 31 August 2022, the incoming resources amounted to £471,299 (2021: £158,100) and outgoing resources to £205,969 (2021: £106,954). In addition, unrealised investment portfolio losses were incurred during the year of £278,076 (2021: unrealised gains of £286,404).

Income was enhanced by an appeal made for individual donations of £500 or more to enable a chair to be named in the Chapels. The amount received in the period for the chair donations amounted to £500 (2021: £1,500). The appeal remains open and continues to enjoy a slow but steady take up.

A Stewardship campaign continued during the period to encourage a direct debit method of regular individual giving via CAF. It is hoped that this will grow steadily and both provide regular income with reduced administration.

**e. Reserves Policy**

The Foundation is largely reliant on donations from those attending services in the Chapels and others including grant making bodies and visitors to HM Tower of London to supplement the investment income arising on its listed investment portfolio held to finance the provision of services within the Chapels including the cost of the Chaplain, Master of Music and Choir. The long-term policy is to aim to build up the investment portfolio through funding secured from additional donations and legacies so as to enable the Foundation to cover ongoing operating costs without recourse to cash reserves. At 31 August 2022 the total funds amounted to £3,529,359 (2021: £3,204,555). All funds are unrestricted but have been allocated between designated funds represented by tangible and heritage fixed assets of £259,011 (2021: £260,953), an investment reserve of £3,057,558 (2021: £3,035,626) and general reserves of £212,790 (2021: £245,526).

**f. Heritage Assets**

Heritage assets are assets of historical importance held to advance the objectives of the Foundation. These assets comprise items of ceremonial plate integral to the activities of the Chapels Royal, and are included at the valuation estimated to be an appropriate market value. These assets are not depreciated as they are deemed to have indeterminate lives and a comparatively high residual value; regular impairment reviews are undertaken. Historic Royal Palaces displays and provides day to day care for the Heritage Assets.

**g. Risk Management**

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties relevant to the Foundation
- the establishment of policies, systems and procedures to mitigate the risks identified in the annual review
- the implementation of procedures designed to minimise or manage any potential impact on the Foundation should those risks materialise

**TRUSTEES' REPORT (continued)**  
**For the Year Ended 31 August 2022**

Financial sustainability is the major financial risk for the Foundation. A key element of the management of financial risk is close attention to cash flows and projected outflows while seeking to secure grants, and voluntary income including legacy pledges.

**h. 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 (UK Generally Accepted Accounting Practice). The law applicable to charities in England & Wales 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 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
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any 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 in operation

The Trustees are responsible for keeping proper 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the Constitution. 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.

**Reference and administrative details**

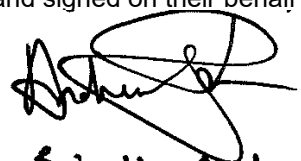
Reference and administrative details of the charity, its trustees and advisers are shown on page 1.

**Disclosure of information to auditor**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that the Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This report was approved by the Trustees, on 29 June 2023 and signed on their behalf by:



Brigadier Andrew Jackson CBE  
Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HM TOWER OF LONDON CHAPELS ROYAL FOUNDATION**

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**Opinion**

We have audited the financial statements of The HM Tower of London Chapels Royal Foundation (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards 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 been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 and of its incoming resources and application of resources 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 Charities Act 2011.

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity'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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HM TOWER OF LONDON CHAPELS ROYAL FOUNDATION (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HM TOWER OF LONDON CHAPELS ROYAL FOUNDATION (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 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 an Auditor's Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and noncompliance with laws and regulations, our procedures included the following: enquiring of management concerning the charity's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the charity's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the charity's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the charity operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the Charities Act 2011 and applicable tax legislation.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the charity for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HM TOWER OF LONDON CHAPELS  
ROYAL FOUNDATION (CONTINUED)**

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Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an Auditor's 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Blick Rothenberg Audit LLP*

**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
London  
WC2B 5AH

30 June 2023

Blick Rothenberg Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**For the Year Ended 31 August 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>				
Donations and legacies	2	325,715	325,715	52,351
Charitable activities	3	64,252	64,252	26,041
Investments	4	81,332	81,332	79,708
<b>Total income</b>		<b>471,299</b>	<b>471,299</b>	<b>158,100</b>
<b>Expenditure on:</b>				
Raising funds		(39)	(39)	1,319
Charitable activities:				
Other charitable activities		203,188	203,188	102,815
Governance	9	3,900	3,900	2,820
<b>Total expenditure</b>	5	<b>207,049</b>	<b>207,049</b>	<b>106,954</b>
<b>Net income before investment gains/(losses)</b>		<b>264,250</b>	<b>264,250</b>	<b>51,146</b>
Net gains/(losses) on investments	14	(278,076)	(278,076)	286,404
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(13,826)</b>	<b>(13,826)</b>	<b>337,550</b>
<b>Net movement in funds</b>		<b>(13,826)</b>	<b>(13,826)</b>	<b>337,550</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		3,542,105	3,542,105	3,204,555
<b>Total funds carried forward</b>		<b>3,528,279</b>	<b>3,528,279</b>	<b>3,542,105</b>

The notes on pages 12 to 22 form part of these financial statements.


**BALANCE SHEET**  
As at 31 August 2022

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	12		227,511		229,453
Heritage assets	13		31,500		31,500
Investments	14		3,057,558		3,035,626
			<u>3,316,569</u>		<u>3,296,579</u>
<b>Current assets</b>					
Debtors	15	40,912		31,545	
Cash at bank and in hand		185,296		225,006	
			<u>226,208</u>	<u>256,551</u>	
<b>Creditors:</b> amounts falling due within one year	16	(14,498)		(11,025)	
<b>Net current assets</b>			<u>211,710</u>		<u>245,526</u>
<b>Net assets</b>			<u>3,528,279</u>		<u>3,542,105</u>
<b>Charity Funds</b>					
Unrestricted funds	17		3,528,279		3,542,105
<b>Total funds</b>			<u>3,528,279</u>		<u>3,542,105</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 with respect to accounting records and the preparation of financial statements.

The charity's financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements were approved and authorised for issue by the Trustees on 29 June 2023 and signed on their behalf, by:

  
Brigadier Andrew Jackson CBE  
Trustee

The notes on pages 12 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 August 2022**

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The HM Tower of London Chapels Royal Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The trustees have considered the impact of the pandemic on the financial position of the Foundation by taking account of both the reductions in income and the reduction made in levels of continuing costs. They have concluded that the Foundation remains a going concern for the foreseeable future and that the financial statements should accordingly be prepared on a going concern basis.

**1.2 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Further details of each fund are given in note 17.

**1.3 Income recognition**

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

Donations are recognised when the Foundation has received or been notified of both the amount and the date of receipt. Legacy gifts are recognised on a case by case basis following the grant of probate when the Foundation has been notified of the amount and the settlement date.

Interest and dividends are recognised when receivable; for interest this is normally on notification by the bank and for dividends on notification by the investment manager.

Income from Choir fees, Concerts and Chapel charges is recognised following the event for which the fees or charges have been made.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 August 2022**

**1. Accounting Policies (continued)**

**1.4 Expenditure recognition**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**1.5 Tangible fixed assets and depreciation**

Heritage assets are included at market value. Heritage assets are deemed to have a high residual value and accordingly no depreciation is charged.

The Music Library, Bible, High Altar Set and Lectern are included at cost or valuation if lower. The residual value of these assets is deemed to be similar to the lower of cost or valuation and accordingly no depreciation is charged.

The Heritage assets, the Music Library, the Bible, High Altar Set and Lectern are reviewed annually for evidence of any reduction in net realisable value. The written down value of other tangible fixed assets is reviewed when events or circumstances indicate the written down value may not be recoverable.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Rehearsal organ	-	10 years
Computer equipment	-	3 years
Vestments and chapel cloths	-	15 years

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**1. Accounting Policies (continued)**

**1.6 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

**2. Income from donations and legacies**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Donations	<b>325,715</b>	<b>325,715</b>	52,351
<i>Total 2021</i>	<b>52,351</b>	<b>52,351</b>	

**3. Income from charitable activities**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Chapel and Choir fees	<b>64,252</b>	<b>64,252</b>	26,041
<i>Total 2021</i>	<b>26,041</b>	<b>26,041</b>	

**4. Investment income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<i>Total funds 2021 £</i>
Investment income	<b>81,221</b>	<b>81,221</b>	79,589
Interest receivable	<b>111</b>	<b>111</b>	119
	<b>81,332</b>	<b>81,332</b>	79,708
<i>Total 2021</i>	<b>79,708</b>	<b>79,708</b>	

# NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 August 2022

## 5. Analysis of Expenditure by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
(Rebate) / Expenditure on investment management	-	-	(39)	(39)	1,319
<b>Costs of raising funds</b>	-	-	(39)	(39)	1,319
Chapel and choir expenditure	18,341	1,942	179,155	199,438	98,690
Grants	-	-	3,750	3,750	4,125
<b>Charitable activities</b>	18,341	1,942	182,905	203,188	102,815
<b>Expenditure on governance</b>	-	-	3,900	3,900	2,820
	18,341	1,942	186,766	207,049	106,954
<i>Total 2021</i>	14,195	2,566	90,193	106,954	

## 6. Grants paid

	2022 £	2021 £
Grants to individuals	750	1,635
Grants to charities	3,000	3,000
	3,750	4,635

## 7. Direct costs

	Chapel and choir £	Total 2022 £	Total 2021 £
Choir fees and expenses	110,832	110,832	39,106
Master of Music fees	46,968	46,968	35,446
Music expenses	808	808	999
Wages and salaries	18,159	18,159	14,038
Pension cost	182	182	157
	176,949	176,949	89,746
<i>Total 2021</i>	89,746	89,746	



**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**8. Support costs**

	<b>Governance £</b>	<b>Chapel and choir £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
General and administrative costs	3,900	20,547	24,447	9,198
Depreciation	-	1,942	1,942	2,566
	<u>3,900</u>	<u>22,489</u>	<u>26,389</u>	<u>11,764</u>
<i>Total 2021</i>	<u>2,820</u>	<u>8,944</u>	<u>11,764</u>	

**9. Governance costs**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>	<b>Total funds 2021 £</b>
Audit fees (2021: Examiners remuneration)	3,900	3,900	2,820
	<u>3,900</u>	<u>3,900</u>	<u>2,820</u>

**10. Net income/(expenditure)**

This is stated after charging:

	<b>2022 £</b>	<b>2021 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	1,942	2,566
Trustees' emoluments (note 11)	12,309	11,484
	<u>12,309</u>	<u>11,484</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 August 2022**

**11. Staff costs**

Staff costs were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£</b>	<b>£</b>
Wages and stipends	<b>18,159</b>	<i>14,038</i>
Other pension costs	<b>182</b>	<i>157</i>
	<hr/> <b>18,341</b> <hr/>	<hr/> <i>14,195</i> <hr/>

The average number of persons employed by the charity during the year was as follows:

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<b>No.</b>
Chapel staff and stipend recipients	<b>5</b>	<i>5</i>

No employee received remuneration amounting to more than £60,000 in either year.

During the year, the Reverend Canon Roger J Hall MBE received in respect of his role of Chaplain of the HM Tower of London Chapel Royal, stipend payments totalling £12,309 (2021: £11,484). In addition, pension contributions were made to a defined contribution scheme of £182 (2021: £157). No other Trustee received any remuneration or benefits in kind. No travel expenses were paid to trustees during the year (2021: £62 to one trustee).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**12. Tangible fixed assets**

	Rehearsal organ £	High altar set £	Bible £	Music library £	Computer equipment £	Vestments and church cloths £
<b>Cost</b>						
At 1 September 2021 and 31 August 2022	5,000	159,600	2,430	35,000	1,268	29,130
<b>Depreciation</b>						
At 1 September 2021	5,000	-	-	-	1,268	13,663
Charge for the year	-	-	-	-	-	1,942
At 31 August 2022	5,000	-	-	-	1,268	15,605
<b>Net book value</b>						
At 31 August 2022	-	159,600	2,430	35,000	-	13,525
At 31 August 2021	-	159,600	2,430	35,000	-	15,467
					<b>Lectern £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 September 2021 and 31 August 2022					16,956	249,384
<b>Depreciation</b>						
At 1 September 2021					-	19,931
Charge for the year					-	1,942
At 31 August 2022					-	21,873
<b>Net book value</b>						
At 31 August 2022					16,956	227,511
At 31 August 2021					16,956	229,453

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**13. Charity heritage assets**

	Gold plate £	Total £
<b>Market value</b>		
At 1 September 2021 and 31 August 2022	<b>31,500</b>	<b>31,500</b>
<i>At 31 August 2021</i>	<i>31,500</i>	<i>31,500</i>

The Heritage Assets comprise items of gold plate dating back to the 16th and 17th centuries and are held at market value. These items are of significant historical importance and are held by the charity to advance its objectives.

**14. Fixed asset investments**

	Listed securities £
<b>Market value</b>	
At 1 September 2021	<b>3,035,626</b>
Additions	<b>300,008</b>
Revaluations	<b>(278,076)</b>
At 31 August 2022	<b>3,057,558</b>

**Investments at fair value comprise**

	31 August 2022 £	31 August 2021 £
Equities	1,953,014	2,212,053
Property	185,962	119,404
Fixed income	275,989	299,116
Alternative Investments	440,397	278,417
Liquid Assets	202,196	126,636
	<b>3,057,558</b>	<b>3,035,626</b>

**15. Debtors**

	2022 £	2021 £
Other debtors	16,472	9,231
Prepayments and accrued income	24,440	22,314
	<b>40,912</b>	<b>31,545</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**16. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	2,021	-
Other taxation and social security	1,668	946
Accruals and deferred income	10,809	10,079
	<u>14,498</u>	<u>11,025</u>

**17. Statement of funds**

**Statement of funds - year ended 31 August 2022**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Designated funds</b>						
Tangible and heritage assets	260,953	-	(1,942)	-	-	259,011
Investment assets	3,035,626	81,262	39	218,707	(278,076)	3,057,558
	<u>3,296,579</u>	<u>81,262</u>	<u>(1,903)</u>	<u>218,707</u>	<u>(278,076)</u>	<u>3,316,569</u>
<b>General funds</b>						
General Funds	245,526	390,037	(205,146)	(218,707)	-	211,710
Total Unrestricted funds	<u>3,542,105</u>	<u>471,299</u>	<u>(207,049)</u>	<u>-</u>	<u>(278,076)</u>	<u>3,528,279</u>
Total of funds	<u>3,542,105</u>	<u>471,299</u>	<u>(207,049)</u>	<u>-</u>	<u>(278,076)</u>	<u>3,528,279</u>

**Statement of funds - year ended 31 August 2021**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Designated funds</b>						
Tangible and heritage assets	263,519	-	(2,566)	-	-	260,953
Investment assets	2,750,541	79,698	(1,319)	(79,698)	286,404	3,035,626
General Funds	<u>190,495</u>	<u>78,402</u>	<u>(103,069)</u>	<u>79,698</u>	<u>-</u>	<u>245,526</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 August 2022

**Summary of funds - year ended 31 August 2022**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds	3,296,579	81,262	(1,903)	218,707	(278,076)	3,316,569
General funds	245,526	390,037	(205,146)	(218,707)	-	211,710
	<u>3,542,105</u>	<u>471,299</u>	<u>(207,049)</u>	<u>-</u>	<u>(278,076)</u>	<u>3,528,279</u>

**Summary of funds - year ended 31 August 2021**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	3,014,060	79,698	(3,885)	(79,698)	286,404	3,296,579
General funds	190,495	78,402	(103,069)	79,698	-	245,526
	<u>3,204,555</u>	<u>158,100</u>	<u>(106,954)</u>	<u>-</u>	<u>286,404</u>	<u>3,542,105</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - year ended 31 August 2022**

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	227,511	227,511
Fixed asset investments	3,057,558	3,057,558
Heritage assets	31,500	31,500
Current assets	226,208	226,208
Creditors due within one year	(14,498)	(14,498)
	<u>3,528,279</u>	<u>3,528,279</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 August 2022**

**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - year ended 31 August 2021**

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	229,453	229,453
Fixed asset investments	3,035,626	3,035,626
Heritage assets	31,500	31,500
Current assets	256,551	256,551
Creditors due within one year	(11,025)	(11,025)
	<u>3,542,105</u>	<u>3,542,105</u>