

REGISTERED CHARITY NUMBER: 1201828

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2024
for

The Hereford Cathedral Almshouses Charity
(Charitable Incorporated Organisation)

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

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THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their report with the financial statements of the Charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition, 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objectives of the Charitable Incorporated Organisation (CIO)

In accordance with its Constitution, the objects of the CIO are

- (a) the relief of poverty by the provision of almshouse accommodation for poor persons with a preference for persons resident in the Diocese of Hereford, and
- (b) relieving either generally or individually persons who are in need, hardship or distress by providing grants, items and services to individuals in need and/or charities or other organisations working to support such persons.

Background and principal activities

At the end of 2011, the charities of Saint Katherine's Hospital and The Hospital of Saint Ethelbert merged into one charity, Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert (registered charity number 218575). The trustees believed the merger of the two charities would provide sufficient combined invested funds to continue the process of providing supported accommodation for elderly and vulnerable people. The Trustee of the combined charity was the Chapter of Hereford Cathedral.

During 2022-2023 work was undertaken to set up this Charitable Incorporated Organisation (CIO), known as The Hereford Cathedral Almshouses Charity, and to prepare for a merger and transfer of assets, liabilities and all operations from the Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert (registered charity number 218575). The intention of setting up the new CIO was to allow expansion of the trustee body to include more specialised skills, to enable the charity's activities to extend to new or other almshouses, and to improve governance by providing a degree of separation from the previous charity's sole Trustee, the Chapter of Hereford Cathedral, which had itself also registered as a charity during the year.

The new CIO nevertheless retains close links with Hereford Cathedral, an active Christian church, and is run and governed by Christians motivated by the gospel to provide for those in need. Beneficiaries are not necessarily required to be people of faith but the ethos and operation of the Charity are rooted in the gospel of Jesus Christ.

There are 21 almshouse units available for occupation in Hereford and Ledbury. A small monthly charge is made for the occupation of the almshouses which, together with the property and investment income, allows the trustees to provide a high level of maintenance of the building and almshouses, as well as providing other support for the residents. Vacancies for almshouses are advertised locally, and applicants are assessed by the trustees against a number of criteria, the most significant of which are financial need and a history of local service to the community.

The trustees responded to an approach by the trustees of Coningsby's Hospital, another Hereford almshouse charity with seven almshouse units, and considered a request that the charity be merged with the Hereford Cathedral Almshouses Charity. The merger was agreed in principle and the Coningsby's Hospital trustees have begun work towards Charity Commission approval for the merger. This work was still in progress at the end of the year.

Public Benefit

The Charity aims to alleviate poverty by the provision of almshouse accommodation and in relieving either generally or individually persons who are in need, hardship or distress.

Within the scope of the Charity's purposes for the relief of 'need, hardship or distress' the trustees give financial support for agencies working among the needy and vulnerable in the city of Hereford.

Grant-making

Grants are made to other institutions or individuals where the need is consistent with the charity's objects.

FINANCIAL REVIEW

Review of activities during the year

The Charity was registered on 3 February 2023 and the subsequent transfer of assets and liabilities from the former Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert took place on 23 January 2024.

The former Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert was closed by the Charity Commission on 17 September 2024.

Investment policy and performance

The trustees have considered the most appropriate policy for investing funds and consider that their current mix of investment properties and investments at Rathbone Investment Management Ltd meet their requirements for both income and capital growth. Investments are held for long term and the trustees continue to monitor performance on a regular basis.

The market value of the Charity's investment properties at 31 December 2024 amounted to £3,575,000 (Old Almshouse Charity 2023: £2,960,000) and its investment portfolio (including cash held for investment) at 31 December 2024 amounted to £7,129,615 (old Almshouse Charity 2023: £6,601,404).

Reserves policy

The Charity will in future maintain a reserves policy to ensure sufficient funding for future repairs necessary to maintain the historic almshouse accommodation and for any improvements to the Charity's investment properties necessary to secure increasing returns on investment. Consideration is being given to the options for best use of any future funds to further the Charity's objectives beyond the annual expenditure of the income.

The Charity's reserves consist of three main areas, the purpose and impact of which are shown below:

1. Property Reserves - These are physical assets (like buildings or land), used directly to deliver the Charity's objectives.
2. Liquid Resources - Cash or easily accessible funds set aside to cover three months of operating expenses. This provides a financial buffer for short-term uncertainties or emergencies, ensuring continuity of the activities of the Charity.
3. Investments - Capital is retained and invested to generate investment income. The income from these investments is used to maintain the properties, reducing the need to use capital funds for the Charity's running costs.

This policy supports the longevity of the charity in the following ways:

- Preservation of capital: By not spending the capital tied up in property or investments, the Charity maintains its asset base.
- Sustainable income: Investment returns provide a steady income stream, particularly for property upkeep.
- Operational stability: Liquid reserves ensure the Charity can weather short-term financial challenges.

Review of activities during the year

Details of the financial position of the Charity are set out within these financial statements. During the year 2024, on average, 20 out of 21 almshouses were occupied for the financial year. One almshouse in Ledbury was converted to provide a space for office use, medical checks and pastoral care. To avoid disturbance to residents and their environs, a second almshouse flat was used as a site office during the extensive repair works in progress.

The trustees agreed to continue the funding contract for the daytime street pastors work of the charity Vennture among vulnerable, homeless and needy people in Hereford city centre. Vennture was provided with £5,000 in 2024 to deliver this role. In addition, the trustees granted £50,000 (2023: £64,000) to the charity Vennture to assist with the operating costs of its Fresh Start programme, intended to help homeless and poor people find a way into a new life of employment and self-sufficiency. Payment of both funding streams is subject to satisfactory reports from and liaison with Vennture staff and the trustees.

The Charity negotiated a new lease of St Katherine's Hall to the Ledbury-based charity LEAF (Locally Encouraging All to Flourish) to provide a community services hub.

For the year ended 31 December 2024, net income before investment gains/(losses) amounted to a loss of £44,254 (old Almshouse charity 2023: loss of £337,394).

The trustees arranged for a desktop revaluation of all their properties at 31st December 2024 by the professional valuers, Bruton Knowles. This revaluation at the year-end gave rise to an unrealised gain on the investment properties of £615,000 (2023 - a loss of £90,000) and unrealised losses on the tangible fixed assets of £80,000 (2023 - a loss of £140,000).

The properties covered by the valuation are as follows: -

- 1-6 St Ethelbert's Hospital, Hereford (social housing provided by the Charity);
- 1-16 St Katherine's Hospital, Ledbury (social housing provided by the Charity);
- 17 St Katherine's Hospital, Ledbury (guest flat);
- St Katherine's Chapel and Hall, Ledbury;
- Nos. 4 & No 6 St Ethelbert Street, Hereford, including ground-floor and upper flats;
- Hidelow & Copley Farm, Acton Beauchamp, Herefordshire;
- Land at Lyde & Almshall, Hereford.

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Funds

The Statement of Financial Activities summarises the income and expenditure and these are analysed between unrestricted funds and restricted funds. Restricted funds are funds subject to specific usage declared by donors. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Risk & Risk Management

In determining the charitable activity undertaken the trustees have had due regard to the guidance of the Charity Commission as required under section 17 of the Charities Act 2011.

Risk management policies from the merging registered charity have been adopted in full from the date of the merger. The main risk the charity faces is poor return on investment assets. The trustees feel this is mitigated as mentioned above. Without the investment income, the properties would not be able to be maintained to an appropriate standard. The trustees keep this under review at all times and have appointed an independent person to oversee the management of the investments by Rathbones and report to the trustees at least once a year.

The provision of funds to Vennture for the purchase of the Merton Hotel is subject to a legal mortgage to allow a clawback should the project to convert into accommodation not go ahead.

FUTURE PLANS

The almshouses will continue to be suitably maintained. Trustees considered and approved funding further structural improvements during 2024 to the properties at St Katherine's which will improve safety and reduce environmental impact.

The Charity also agreed, subject to Charity Commission approval being received by the trustees of Coningsby's Hospital, to merge with that Hospital, being another almshouse charity in Hereford with seven units of accommodation. This will enable the Hospital to continue its work on a more secure footing. Legal and financial due diligence is being undertaken before formal steps are taken.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing document, a Constitution dated 3 February 2023, and is a charitable incorporated organisation.

Recruitment and appointment of new trustees

Appointed trustees are recruited through open advertisement in the local community. Three members of the Chapter of Hereford Cathedral are automatically appointed ex-officio trustees of the Charity.

Organisational structure

The Charity is managed by a Board of Trustees.

The trustees are responsible for the overall strategy and financial commitments of the Charity and are supported in this by staff provided by Hereford Cathedral, and an Almshouses Liaison Officer for the Ledbury almshouses, who oversee the day-to-day operations of the Charity at that location.

Induction and training of new trustees

New trustees are briefed on their duties as trustees as appropriate, read Charity Commission guidance and attend courses covering the responsibilities of trustees.

Related parties

The Chapter of Hereford Cathedral (registered charity no. 1205397) shares a minority of trustees with the Charity and provides the Charity with office, fabric and management support under a Services Agreement.

Rent Policy

The Charity does not charge rent, but applies a Monthly Maintenance Payment charge for residents. The trustees will consider and agree the charges annually for each forthcoming year having regard to inflation and other relevant factors. Residents have already been informed of planned increases in the Monthly Maintenance Payment paid to the Charity up to the end of 2024. These were communicated to residents in 2020 by the former charity to enable them to plan accordingly and apply for housing benefit where appropriate.

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Repairs and Maintenance Policy

Following each quinquennial review for all properties, the trustees will consider and agree priorities and formulate a works programme to carry out the necessary repairs. Work is ongoing to improve the drainage and structures at St Katherine's Hospital, to provide a safer and more comfortable environment for residents.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1201828

Principal address

5 College Cloisters
The Close
Hereford
Herefordshire
HR1 2NG

Trustees

The Trustee of the Charity during the year are listed below:

The Very Revd S Brown
The Revd Canon A Piper
Canon Dr D Jones
Mrs Julia Steels
Mr Jeremy Wilding
Mrs Barbara Gratton

Auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

Solicitors

Burges Salmon LLP
One Glass Wharf
Bristol, BS2 0ZX

Bankers

Lloyds Bank plc
8 High Town
Hereford, HR1 2AE

Investment Advisers

Rathbone Investment Management Ltd
8 Finsbury Circus
London, EC2M 7AZ

Investment Powers

The trustees have wide powers of investment.

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES


The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- 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 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 Charity (Accounts and Reports) Regulations 2008 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.

Approved by order of the board of trustees on 3rd June 2025 and signed on its behalf by:



.....
The Very Revd S Brown – on behalf of the Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

Opinion

We have audited the financial statements of The Hereford Cathedral Almshouses Charity for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of the charity's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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 considered the nature of the charity's industry and its control environment and reviewed the charity's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the charity operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Charities Act 2011 and tax legislation, and those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgments made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

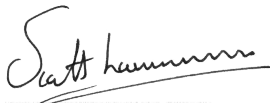
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY (CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.



.....
Scott Lawrence (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31.12.24 Total Unrestricted Funds £	31.12.23 Total Unrestricted Funds £
INCOME AND ENDOWMENTS FROM:			
Charitable activities			
Investment income	3	211,142	-
Social housing	4	33,611	-
Total		<u>244,753</u>	<u>-</u>
EXPENDITURE ON:			
Raising funds	5	57,240	-
Charitable activities			
Social housing	6	231,767	-
Total		<u>289,007</u>	<u>-</u>
Deficit before other gains/(losses)		(44,254)	-
Net (loss)/gain on investments	11	560,987	-
Net (loss)/gain on investment property	12	615,000	-
NET (EXPENDITURE)/INCOME		<u>1,131,733</u>	<u>-</u>
(Loss)/Gain on revaluation of tangible fixed assets	10	(80,000)	-
Net movement in funds		<u>1,051,733</u>	<u>-</u>
RECONCILIATION OF FUNDS			
Funds transferred into the Charity		10,789,024	-
TOTAL FUNDS CARRIED FORWARD		<u><u>11,840,757</u></u>	<u><u>-</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements.


THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

**BALANCE SHEET
AT 31 DECEMBER 2024**

	Notes	31.12.24 £	31.12.23 £
FIXED ASSETS			
Tangible assets	10	1,150,000	-
INVESTMENTS			
Investments	11	7,129,615	-
Investment property	12	3,575,000	-
		<u>11,854,615</u>	<u>-</u>
CURRENT ASSETS			
Debtors	13	10,328	-
Cash at bank		82,969	-
		<u>93,297</u>	<u>-</u>
CREDITORS			
Amounts falling due within one year	14	(107,155)	-
NET CURRENT ASSETS		<u>(13,858)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,840,757</u>	<u>-</u>
NET ASSETS		<u>11,840,757</u>	<u>-</u>
FUNDS			
Unrestricted funds		11,840,757	-
TOTAL FUNDS		<u>11,840,757</u>	<u>-</u>

The notes form part of these financial statements.

The financial statements were approved by the Board of Trustees on 3rd June 2025 and were signed on its behalf by:



The Very Revd S Brown - on behalf of the Trustees

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31.12.24 £	31.12.23 £
Cash flows from operating activities:			
Cash generated from operations	I	(158,569)	-
Net cash (used in) operating activities		<u>(158,569)</u>	<u>-</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(2,006,243)	-
Sale of fixed asset investments		2,004,032	-
Rental income received		69,859	-
Movement on cash in investments		34,987	-
Dividends received		141,283	-
Net cash provided by investing activities		<u>243,918</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		85,349	-
Cash and cash equivalents transferred into the Charity		<u>(2,380)</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>82,969</u></u>	<u><u>-</u></u>

The notes form part of these financial statements.

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

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

	31.12.24	31.12.23
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,051,733	-
Adjustments for:		
Net losses/(gains) on property revaluations	(535,000)	-
Net (gains) on fixed asset investments	(560,987)	-
Dividends received	(141,283)	-
Rental income received	(69,859)	-
Decrease/(increase) in debtors	(10,328)	-
Increase/decrease) in creditors	107,155	-
Net cash (used in) operating activities	(158,569)	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

I. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going concern

On 23 January 2024, the Charity agreed to merge with the Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert (registered charity number 218575) and began the process of transferring assets and activities from that charity and this was completed before 31st December 2024. The Hereford Cathedral Almshouse Charity of St Katherine and St Ethelbert (registered charity number 21575) was dissolved and removed from the Register of Charities.

The financial statements have been prepared on a going concern basis continuing the work of the previous charity.

Income

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

Expenditure

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

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Support costs are general and overhead costs which are not specific to governance, costs of generating funds or direct charitable activities but which enable these activities to be undertaken. These costs include office management costs and are allocated 50:50 over costs of generating funds and charitable activities based on time spent supporting these functions.

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

Tangible fixed assets

Where housing property has been financed wholly or partly by housing association or similar grants, the cost of property has been reduced by the amount of the grant received.

No provisions for depreciation of housing and non-housing properties have been made.

Section 17 of FRS 102 requires all non-investment properties to be depreciated over their anticipated useful lives. However, the housing properties are not depreciated because their useful lives are considered to be well in excess of 100 years and any depreciation charges would be immaterial. To introduce a depreciation charge would not add to the true and fair view presented in the accounts. The property valuations were made by Bruton Knowles, chartered surveyors and property consultants, as at 31 December 2024, on an open market value for existing use basis.

HE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES - continued

Non-housing properties are classed as investment properties and are shown at their market value as at the balance sheet date.

Investments

Investments are stated at market value at the balance sheet date. Any gain or loss on revaluation or sale is taken to the Statement of Financial Activities (SOFA).

Investment property and fixed asset property valuations were made by Bruton Knowles, chartered surveyors and property consultants, as at 31 December 2024, on an open market value for existing use basis.

Cash at bank and in hand

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

Debtors

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

Creditors and provisions

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

Taxation

The charity is not generally liable to corporation tax on its surplus. The charity is not registered for Value Added Tax purposes.

Fund accounting

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

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

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

2. RELATED PARTY DISCLOSURES

Three trustees of the Charity are also members of the Chapter of Hereford Cathedral, which itself is a registered charity.

3. INVESTMENT INCOME

	31.12.24	31.12.23
	£	£
Property	69,709	-
Wayleave	150	-
Investments	141,283	-
	<u>211,142</u>	<u>-</u>

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.12.24 £	31.12.23 £
Social housing	Social housing	33,611	-

5. RAISING FUNDS

	31.12.24 £	31.12.23 £
Investment property costs	23,636	-
Investment management cost	33,604	-
Total cost of raising funds	57,240	-

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 7) £	Support costs (See note 8) £	Totals £
Social housing – 2024	191,300	34,167	6,300	231,767
Social housing – 2023	-	-	-	-

7. GRANTS PAYABLE

	31.12.24 £	31.12.23 £
Social housing	34,167	-
The total grants paid to institutions during the year were as follows:		
Vennture	34,167	-

8. SUPPORT COSTS

	Governance costs £
Social housing – 2024	6,300
Social housing – 2023	-

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2024

9. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

Trustees' expenses for the year ended 31 December 2024 were £nil (2023: £nil).

10. TANGIBLE FIXED ASSETS

	Freehold property £
AT VALUATION	
At 1 January 2024	1,230,000
Revaluation in the year	(80,000)
	<u>1,150,000</u>
At 31 December 2024	<u>1,150,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>1,150,000</u>
At 31 December 2023	<u>-</u>

The property valuations were made by Bruton Knowles, chartered surveyors and property consultants, as at 31 December 2024, on an open market value for existing use basis.

If the freehold properties had not been included at a valuation they would have been included under the historical cost convention as follows:

	2024 £	2023 £
Historic cost (transfer value at 1 st January 2024)	1,230,000	-

10. INVESTMENTS

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
Investments transferred to the Charity	6,493,442	107,962	6,601,404
Additions	2,006,243	-	2,006,243
Disposals	(2,004,032)	-	(2,004,032)
Revaluations	560,987	-	560,987
Movement on cash	-	(34,987)	(34,987)
At 31 December 2024	<u>7,056,640</u>	<u>72,975</u>	<u>7,129,615</u>

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

11. INVESTMENTS (continued)

Historical cost of investments (excluding cash) £6,105,163 (Old almshouse charity 2023: £5,855,764)

All investments are listed on a recognised stock exchange and are held in the United Kingdom.

The 870 units in SPDR Series Trust S&P 500ETF was valued at £390,939 at the year-end and was the only holding where the value was over 5% of the total market value of investments.

12. INVESTMENT PROPERTY

Investment Property	Freehold Land	Freehold Building	Total
	£	£	£
Cost, valuation or nominal value			
Investment property transferred to the Charity	2,030,000	930,000	2,960,000
Revaluation in the year	805,000	(190,000)	615,000
At 31 December 2024	<u>2,835,000</u>	<u>740,000</u>	<u>3,575,000</u>
Represented by:			
Nominal value	3	4	7
Cost	3	-	3
Revaluation	2,834,994	739,996	3,574,990
	<u>2,835,000</u>	<u>740,000</u>	<u>3,575,000</u>

The land and buildings were formally revalued by Bruton Knowles (estate agents, valuers and surveyor) at 31 December 2024. The trustees are not aware of any material change in the current carrying value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24 £	31.12.23 £
Other debtors	<u>10,328</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24 £	31.12.23 £
Trade creditors	20,715	-
Accruals and deferred income	86,440	-
	<u>107,155</u>	<u>-</u>

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within the next five years:

	31.12.24 £	31.12.23 £
Not later than one year	291	-
Later than one year and not later than five years	800	-
Later than five years	-	-
	<u>1,091</u>	<u>-</u>

16. MOVEMENT IN FUNDS

2024	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	10,737,183	1,051,159	11,788,342
Major Repairs Designated Fund	51,841	574	52,415
TOTAL FUNDS	<u>10,789,024</u>	<u>1,051,733</u>	<u>11,840,757</u>

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

2024	Income £	Expenditure £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	244,753	(284,314)	1,090,721	1,051,159
Major Repairs Designated Fund	-	(4,693)	5,266	574
TOTAL FUNDS	<u>244,753</u>	<u>(289,007)</u>	<u>1,095,987</u>	<u>1,051,733</u>

THE HEREFORD CATHEDRAL ALMSHOUSES CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2024

17. MOVEMENT IN FUNDS - continued

2023	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	-	-	-
Major Repairs Designated Fund	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>-</u>	<u>-</u>	<u>-</u>

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

2023	Income £	Expenditure £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	-	-	-	-
Major Repairs Designated Fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The General Fund exists to support the day to day running costs of the charity and has designated for other purposes.

The major repair reserve provides funds to meet the future major repairs through an annual transfer, at a level determined by periodic review by the Charity Commissioners and trustees.

18. GRANT COMMITMENTS

During the year the Trustees agreed to pay £50,000 over a period of 12 months to Vennture for their Fresh Start programme. Under this agreement the charity paid grants to Vennture totalling £29,167 during the year, with the balance of £20,833 to be paid during 2025.

19. RELATED PARTY DISCLOSURES

Some of the trustees of the charity are also members of Chapter of Hereford Cathedral, which itself is a registered charity.

During the year the charity was charged £58,584 (Old Almshouse Charity 2023: £58,583) by The Chapter of Hereford Cathedral in relation to staff costs and management expenses. There was a balance outstanding at the year-end due to The Chapter of Hereford Cathedral of £15,362 (2023: £nil).