

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31st December 2020
for
Hospital of the Blessed Mary**

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Hospital of the Blessed Mary

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for the Year Ended 31st December 2020**

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Hospital of the Blessed Mary

Report of the Trustees for the Year Ended 31st December 2020

The trustees present their report with the financial statements of the charity for the year ended 31st December 2020. 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) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

(a) To provide Almshouses currently St Mary's Hospital, the married quarters, St Mary's Lodge, St Mary's Courtyard and the Dears Almshouses.

(b) To provide pensions for residents and other local persons of good character in need.

Constraints

(a) The first charge on the income of the Charity shall be the cost of maintaining the property.

(b) Any properties not required to be retained or occupied for the purpose of the Charity shall not be let for less than the best rent available.

Policy

It is the policy of the Trustees to assist poor persons of good character with regard to their potential to thrive in a community setting with a strong Christian ethos.

Public benefit

The trustees have considered the Charity Commission guidance on public benefit and consider that the objectives and activities of the Charity provide public benefit in that it provides good quality, affordable sheltered accommodation and a small measure of financial support to elderly people of limited financial means.

ACHIEVEMENT AND PERFORMANCE

2020 Review

By early 2020, the four new almshouse bungalows at Dears Riverside were completed. The merging of the Dears and St Mary's Hospital charities took place in October 2020 - and the operational handover delivered - with final legal administrative details to be completed during 2021.

2020 was a challenging year due to the outbreak of Covid 19, to which the on-site team responded with great professionalism, care and compassion. In response to the government guidance, the St Mary's site was completely closed to outside visitors from March 2020. All staff were furloughed except the Warden, Deputy Warden and Gardener/Assistant Bailiff who all live on site. Chapel services ceased, and all public areas were closed. However, we were blessed with warm weather throughout the spring and summer - this allowed residents to continue to meet, socially distanced, in our lovely gardens. Warden daily visits were restricted to telephone calls unless there were emergency calls - for which full PPE was ready to be worn.

The Warden issued regular Covid Bulletins to ensure that residents were kept fully informed of up-to-date guidance and news. The Warden and Deputy Warden had to keep a close eye on individual compliance for the safety of the community, and this was a constant pressure on them as several residents found it challenging to keep to the regulations. The Warden and Deputy worked alternate 48-hour shifts to ensure that, despite the Cover Wardens being furloughed, there was continual emergency cover available. The Gardener had plenty to do in the gardens, and was able to keep up with any maintenance issues that arose.

After the first slight relaxing of rules, the Custos led weekly outdoor Chapel services in the Cottage garden and also in the St Mary's Lodge garden. This was a huge success, and allowed several residents who had been unable to attend Chapel for years to join us from their doorways. This was one of several positive outcomes we experienced as a community during the months of site closure.

The next relaxation of rules was to allow visits to residents outdoors. Again, the benefit of having our garden spaces was much appreciated.

Official social activities were halted, of course, but we did manage to celebrate the 75th VE Day with a socially distanced party in the Cottage garden. In addition, residents and staff got together daily in the gardens - bringing their own refreshments and keeping to the distancing rules.

Our annual Summer Festival, Open Day and Christmas Carol service were all cancelled due to the pandemic. In addition, our inaugural National Gardens Scheme open days were postponed to 2021.

At the date of reporting there has been not a single confirmed case of Covid 19 amongst residents or staff.

Two new residents moved into two of the newly completed Dears Riverside bungalows in December 2020.

At the end of the year changes were proposed to the charity's approach to maintenance and management of its investment property, which led to the redundancy of long-serving and popular Bailiff Matthew Howard. Matthew's smiling face will be missed by colleagues and residents alike and the Trustees note their sincere thanks for his contribution to St Mary's over many years.

Residents of Almshouses

At 31st December 2020, there were eleven residents in the Hospital, Porters Lodge and the Cottages, including one married couple, twelve residents in the Lodge including two married couples, and seven in the Courtyard. There were five residents at the Dears Almshouses site.

FINANCIAL REVIEW

Financial position

Total incoming resources decreased for the year from £924,396 to £825,509 primarily due to a decrease in commercial income. Total expenditure also decreased from £1,090,796 to £818,471 as a result of reduced spend of property projects during the pandemic, leaving a small operating surplus. There was an unrealised loss on investments of £2,514,506 due primarily to a reduction in value of the investment property portfolio following a formal valuation. The overall balance of Hospital funds stands at £25,729,755 compared to the previous year's total of £28,202,255.

Investment Strategy

The Finance Committee for Chapter also acts as the overseeing Finance Committee for St Mary's investments. The strategy remains 100% equity, which at 31 December 2020 remained primarily invested in M&G through their specialist charity sector Charifund. Since then, following a tender process and the recommendation of the Finance Committee the investments have been transferred to CCLA.

Reserves policy

The Trustees have examined the requirements for reserves in the light of the main risks to the organisation. The Trustees do not consider it necessary to have an established policy for reserves as they consider the funds generated from income producing investments is sufficient to cover operating and governance costs. The balance held as unrestricted funds at 31st December 2020 was £25,729,755 of which just £3,901,154 is regarded as tangible fixed assets and £3,194,158 is investments which are immediately accessible.

FUTURE PLANS

The Hospital will continue to meet its charitable objectives in the future and to ensure that all of its investment assets are maintained to the highest standard.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The foundation date of the Hospital is not known, though it reputedly came into existence in the second half of the 12th Century. The present Hospital building dates from about 1290.

The Hospital is governed by a scheme of the Charity Commissioners dated 4th November 1898, which was revised on 17th February 1905, 13th February 1987, 8th August 1991, 2nd January 1997, 20th February 2018 and 26th June 2018. The Trustees of the Hospital and its endowment are drawn from the Chapter of Chichester Cathedral and also from other individuals with knowledge or experience relevant to an almshouse charity.

Induction and training of new trustees

Upon appointment, each new Trustee is made aware of their legal responsibilities and of their areas affecting the governance of the Fund. Regular training is provided to Trustees as required. This includes updating their knowledge and understanding regarding regulatory and legal development affecting their responsibilities as Trustees and the governance of the fund.

Internal audit

The internal audit function is undertaken by the Clerk to the Trustees on behalf of the Trustees in accordance with the Financial and Management paper. He conducts an appraisal of the following management controls:

- (a) Implementation of management policies and directives.
- (b) Safeguard of the assets and interests of the association.
- (c) Compliance with statutory and other regulatory requirements.
- (d) The reliability and integrity of financial and operating information.
- (e) Efficient, effective and economic use of resources.

With regard to financial matters, he ensures specifically that;

- (f) The two cheque signatories are provided with authorised supporting documentation at the time of signature.
- (g) A close record is maintained of rents receivable and attention drawn to any defaulters.
- (h) The performance of investments is monitored.
- (i) Delegated limits for financial expenditure are not exceeded.
- (j) Competitive tenders are sought for projects in excess of the limits authorised for single tender action and handled in accordance with best practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Charity relies on 3 main income streams to support its aims:

- 1) Residential lets
- 2) Commercial lets
- 3) Investment income

Chichester is an affluent area and the residential market is buoyant especially for quality lets such as the ones that St Mary's own.

The commercial lets are all on good tenant covenants with solid trading history and Chichester retail vacancies remain consistently well below the national average, although the commercial sector is always at risk of downturn.

The investment income portfolio is delegated by St Mary's to the Chapter Finance Committee who monitor outturns and recommends investment mix. The equity and bond ratio is currently 100:00 and is therefore at risk to a sudden market downturn.

Operational risk stems from staffing cover and competence and the Trustees review the staffing needs regularly. The staffing overhead is relatively low and competence is shared across functions with Chapter which reduces cost and risk.

Health and Safety risks are managed and a full review was undertaken by third party in the previous reporting period.

Covid Impact Statement

Covid 19 was a key factor during the year in review and affected the lives of staff and residents, as noted in the review section.

The Hospital went into skeleton staffing during lockdown with several members of staff being furloughed and the hospital claimed through the government CJRS for the reclaimable proportions of the salary costs. The Custos continued to provide spiritual support even when the Chapel could not open, and residents made the most of the beautiful gardens to meet with each other.

There was a significant drop in the carrying values of the investment portfolio around the end of March 2020 however capital values had recovered somewhat by the end of the year in review and income has held up relatively well with the charity's investment partner confident of future income levels.

The main area of exposure was the charities commercial property investments. The charity, through its advisers, worked closely with tenants to ensure an appropriate response to the impact Covid and associated lockdowns had on high street footfall and tenant revenues, whilst recognising that the income is key to supporting the charity and its aims. There was, inevitably, an impact on income during the year and commercial rental income is a potential risk in the longer term. Residential rental income remained consistent and the move to work with a specialist residential property management company is believed to reduce potential risk in this area.

During the year end the charity disposed of a surplus building and this further boosted the hospital's levels of cash and investments. Financially the charity remains in a robust position and the Trustees remain confident in its long-term financial health.

Hospital of the Blessed Mary

Report of the Trustees for the Year Ended 31st December 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

202631

Principal address

Cathedral Office
The Royal Chantry
Cathedral Cloisters
Chichester
West Sussex
PO19 1PX

Trustees

The Very Reverend Stephen J Waine (Chairman)	
The Reverend Canon T Schofield	- Retired 6 June 2020
The Reverend Canon Simon P Holland	- Resigned 16 June 2021
The Reverend Canon M Townsend Payne	- Appointed 2 December 2020
Mrs R Taunt	
Mrs A Hayes	
Mr I Western	
Mrs J Evershed-Martin	

Auditors

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Solicitors

Irwin Mitchell
Thomas Eggar House
Friary Lane
Chichester
West Sussex
PO19 1UF

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Bankers

NatWest Bank Plc
5 East Street
Chichester
West Sussex
PO19 1HH

Custos

the Reverend B Ruddock

Warden

Mrs Monica Winnett

Bailiff

Mr Matthew Howard

Clerk to the Trustees and Administrator

Mr David Coulthard

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).

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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 22nd October 2021 and signed on its behalf by:

The Very Reverend S Waine - Chairman

Opinion

We have audited the financial statements of Hospital of the Blessed Mary (the 'charity') for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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 (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 31st December 2020 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 Auditors' 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.

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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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 Report of the Trustees 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.

Report of the Independent Auditors to the Trustees of Hospital of the Blessed Mary

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 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 a Report of the Independent Auditors 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:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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 Report of the Independent Auditors.

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 auditors' 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sheen Stickland
Chartered Accountants
Statutory Auditors
7 East Pallant
Chichester
West Sussex
PO19 1TR

Date 22nd October 2021

Hospital of the Blessed Mary

Statement of Financial Activities for the Year Ended 31st December 2020

		2020 Unrestricted funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies	2	50,561	31,689
Investment income	3	<u>774,948</u>	<u>892,707</u>
Total		825,509	924,396
EXPENDITURE ON			
Raising funds	4	101,598	177,067
Charitable activities	5		
Almshouses		<u>716,873</u>	<u>913,729</u>
Total		818,471	1,090,796
Net gains/(losses) on investments		<u>(2,514,506)</u>	<u>438,603</u>
NET INCOME/(EXPENDITURE)		(2,507,468)	272,203
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes		(2,963)	-
Transfer from Dears Almshouse		<u>37,931</u>	<u>-</u>
Net movement in funds		(2,472,500)	272,203
RECONCILIATION OF FUNDS			
Total funds brought forward		<u>28,202,255</u>	<u>27,930,052</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>25,729,755</u></u>	<u><u>28,202,255</u></u>

The notes form part of these financial statements

Hospital of the Blessed Mary

Balance Sheet 31st December 2020

		2020 Unrestricted funds £	2019 Total funds £
FIXED ASSETS	Notes		
Tangible assets	10	3,901,154	3,999,151
Investments	11	<u>21,701,658</u>	<u>24,366,164</u>
		25,602,812	28,365,315
CURRENT ASSETS			
Debtors	12	113,223	120,993
Cash at bank and in hand		<u>338,861</u>	<u>166,208</u>
		452,084	287,201
CREDITORS			
Amounts falling due within one year	13	(258,195)	(382,810)
		<u>193,889</u>	<u>(95,609)</u>
NET CURRENT ASSETS			
		25,796,701	28,269,706
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	14	(66,946)	(67,451)
NET ASSETS		<u>25,729,755</u>	<u>28,202,255</u>
FUNDS	17		
Unrestricted funds		<u>25,729,755</u>	<u>28,202,255</u>
TOTAL FUNDS		<u>25,729,755</u>	<u>28,202,255</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 22nd October 2021 and were signed on its behalf by:

The Very Reverend S J Waine - Chairman

Hospital of the Blessed Mary

Cash Flow Statement for the Year Ended 31st December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(744,552)	(972,542)
Interest paid		<u>(7,288)</u>	<u>(7,333)</u>
Net cash used in operating activities		<u>(751,840)</u>	<u>(979,875)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(500,000)	-
Sale of fixed asset investments		653,358	100,000
Sale of investment property		(3,358)	-
Rents received		643,478	720,403
Dividends & interest		131,295	171,656
Interest received		90	43
Dividends received		<u>85</u>	<u>605</u>
Net cash provided by investing activities		<u>924,948</u>	<u>992,707</u>
Cash flows from financing activities			
Loan repayments in year		<u>(455)</u>	<u>(408)</u>
Net cash used in financing activities		<u>(455)</u>	<u>(408)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		172,653	12,424
Cash and cash equivalents at the beginning of the reporting period		<u>166,208</u>	<u>153,784</u>
Cash and cash equivalents at the end of the reporting period		<u><u>338,861</u></u>	<u><u>166,208</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31st December 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(2,507,468)	272,203
Adjustments for:		
Depreciation charges	97,997	97,997
Losses/(gain) on investments	2,514,506	(438,603)
Interest received	(90)	(43)
Interest paid	7,288	7,333
Dividends received	(85)	(605)
Rents received	(643,478)	(720,403)
Dividends and interest received	(131,295)	(171,656)
(Gains)/losses on investment property	-	(51,673)
Actuarial movement	(2,963)	-
Assets transferred from Dears Almshouse	37,931	-
Decrease/(increase) in debtors	7,770	(113,762)
(Decrease)/increase in creditors	<u>(124,665)</u>	<u>146,670</u>
Net cash used in operations	<u><u>(744,552)</u></u>	<u><u>(972,542)</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	<u>166,208</u>	<u>172,653</u>	<u>338,861</u>
	<u>166,208</u>	<u>172,653</u>	<u>338,861</u>
Debt			
Debts falling due within 1 year	(455)	(50)	(505)
Debts falling due after 1 year	<u>(67,451)</u>	<u>505</u>	<u>(66,946)</u>
	<u>(67,906)</u>	<u>455</u>	<u>(67,451)</u>
Total	<u><u>98,302</u></u>	<u><u>173,108</u></u>	<u><u>271,410</u></u>

1. 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.

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.

Income from investment property rents is recognised in the year in which it is receivable.

The Statement of financial activities includes the net gains and losses arising on revaluations and disposals of investment assets throughout the year.

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.

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

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
St Mary's Lodge	- in accordance with the lease

Property expenditure which goes above and beyond simple maintenance is capitalised, where the cost of the work exceeds £50,000.

Listed investments

Listed investments are measured initially at cost and subsequently at fair value

Investment property

Investment property is shown at fair value. Any aggregate surplus or deficit arising from changes in fair value is transferred to the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

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.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods

Donations are recognised on entitlement. Donation of fixed assets are included in the accounts at values provided by the donor or at market value.

Going concern

The charity has substantial liquid assets which can be realised in the short term and strong and robust revenue streams which can support the charity in any downturn expected. There are no other issues which give rise to any concerns and therefore the Trustees believe the charity is a going concern and the financial statements have been prepared on this basis.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Resident's contribution	31,269	28,543
Grants	17,007	-
Donations from visitors	<u>2,285</u>	<u>3,146</u>
	<u>50,561</u>	<u>31,689</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Job Retention Scheme	16,407	-
Chichester District Council	<u>600</u>	<u>-</u>
	<u>17,007</u>	<u>-</u>

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	643,478	720,403
Dividends & interest	131,295	171,656
Guest room rental	85	605
Deposit account interest	<u>90</u>	<u>43</u>
	<u>774,948</u>	<u>892,707</u>

4. RAISING FUNDS**Investment management costs**

	2020 £	2019 £
Property repairs	67,990	147,853
Professional charges	24,017	13,033
Insurance	3,152	5,268
Rates	1,459	4,496
Heat & Light	<u>4,980</u>	<u>6,417</u>
	<u>101,598</u>	<u>177,067</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
Almshouses	<u>452,799</u>	<u>25,000</u>	<u>239,074</u>	<u>716,873</u>

6. GRANTS PAYABLE

	2020 £	2019 £
Almshouses	<u>25,000</u>	<u>25,000</u>

The total grants paid to institutions during the year was as follows:

	2020 £	2019 £
Christian Care Association	<u>25,000</u>	<u>25,000</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Almshouses	<u>169,062</u>	<u>7,698</u>	<u>62,314</u>	<u>239,074</u>

Included in the above is £8,800 which relates to the auditors remuneration.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

9. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	164,113	135,241
Social security costs	10,847	-
Other pension costs	<u>26,816</u>	<u>29,951</u>
	<u>201,776</u>	<u>165,192</u>

The average monthly number of employees during the year was as follows:

2020	2019
<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

10. TANGIBLE FIXED ASSETS

	Freehold property £	St Mary's Lodge £	Totals £
COST			
At 1st January 2020 and 31st December 2020	<u>4,568,410</u>	<u>397,725</u>	<u>4,966,135</u>
DEPRECIATION			
At 1st January 2020	754,856	212,128	966,984
Charge for year	<u>91,368</u>	<u>6,629</u>	<u>97,997</u>
At 31st December 2020	<u>846,224</u>	<u>218,757</u>	<u>1,064,981</u>
NET BOOK VALUE			
At 31st December 2020	<u>3,722,186</u>	<u>178,968</u>	<u>3,901,154</u>
At 31st December 2019	<u>3,813,554</u>	<u>185,597</u>	<u>3,999,151</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**11. FIXED ASSET INVESTMENTS**

	Listed investments £	Investment Properties £	Totals £
MARKET VALUE			
At 1st January 2020	3,335,381	21,030,783	24,366,164
Additions	500,000	-	500,000
Disposals	(102,473)	(578,358)	(680,831)
Revaluations	<u>(538,750)</u>	<u>(1,944,925)</u>	<u>(2,483,675)</u>
At 31st December 2020	<u>3,194,158</u>	<u>18,507,500</u>	<u>21,701,658</u>
NET BOOK VALUE			
At 31st December 2020	<u>3,194,158</u>	<u>18,507,500</u>	<u>21,701,658</u>
At 31st December 2019	<u>3,335,381</u>	<u>21,030,783</u>	<u>24,366,164</u>

There were no investment assets outside the UK.

All investment properties were subject to a formal valuation undertaken by Flude Property Consultants and Chartered Surveyors on 31 December 2020. The basis of valuation was open market value.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	62,686	13,210
Other debtors	<u>50,537</u>	<u>107,783</u>
	<u>113,223</u>	<u>120,993</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans (see note 15)	505	455
Trade creditors	25,355	10,891
Social security and other taxes	1,698	2,848
Rent deposits	39,972	53,476
Accruals and deferred income	<u>190,665</u>	<u>315,140</u>
	<u>258,195</u>	<u>382,810</u>

Included above is deferred income of £89,156 (2019: £93,331) which relates to rents received in advance.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Other loans (see note 15)	<u>66,946</u>	<u>67,451</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year on demand:		
Housing corporation loan	<u>505</u>	<u>455</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>560</u>	<u>505</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>2,081</u>	<u>1,874</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more 5yrs instal	64,305	65,072

16. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Housing corporation loan	<u>67,451</u>	<u>67,906</u>

The loans are due to the Housing Corporation and are secured by way of a specific charges against the properties owned by the charity. The loans are repayable at varying rates of interest to a maximum of 10.75% per annum. Capital is being repaid over 60 years from 31 March 1987.

17. MOVEMENT IN FUNDS

	At 1.1.20	Net movement in funds	At 31.12.20
	£	£	£
Unrestricted funds			
General fund	27,952,255	(2,472,500)	25,479,755
Extraordinary repair fund - designated	<u>250,000</u>	<u>-</u>	<u>250,000</u>
	<u>28,202,255</u>	<u>(2,472,500)</u>	<u>25,729,755</u>
TOTAL FUNDS	<u>28,202,255</u>	<u>(2,472,500)</u>	<u>25,729,755</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	825,509	(818,471)	(2,479,538)	(2,472,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>825,509</u>	<u>(818,471)</u>	<u>(2,479,538)</u>	<u>(2,472,500)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	27,680,052	272,203	27,952,255
Extraordinary repair fund - designated	250,000	-	250,000
	<u>27,930,052</u>	<u>272,203</u>	<u>28,202,255</u>
TOTAL FUNDS	<u>27,930,052</u>	<u>272,203</u>	<u>28,202,255</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	924,396	(1,090,796)	438,603	272,203
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>924,396</u>	<u>(1,090,796)</u>	<u>438,603</u>	<u>272,203</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	27,680,052	(2,200,297)	25,479,755
Extraordinary repair fund - designated	250,000	-	250,000
	<u>27,930,052</u>	<u>(2,200,297)</u>	<u>25,729,755</u>
TOTAL FUNDS	<u>27,930,052</u>	<u>(2,200,297)</u>	<u>25,729,755</u>

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,749,905	(1,909,267)	(2,040,935)	(2,200,297)
	<u>1,749,905</u>	<u>(1,909,267)</u>	<u>(2,040,935)</u>	<u>(2,200,297)</u>
TOTAL FUNDS	<u>1,749,905</u>	<u>(1,909,267)</u>	<u>(2,040,935)</u>	<u>(2,200,297)</u>

The income funds of the Charity include the Extraordinary Repair fund, which has been set aside out of unrestricted funds by the trustees as a precaution against future liabilities.

18. OTHER FINANCIAL COMMITMENTS

As at 13 October 2020 St Mary's Hospital merged with registered charity Dears Almshouse (charity number 208955), at which point all of the assets and operations were transferred to St Mary's Hospital. The total value of this transfer was £37,931.

It was agreed by the trustees that St Mary's Hospital would fund the expected shortfall of the building project undertaken by Dears Almshouse, costs in the year amounted to £172,874 and the remaining retention of £16,126 has been included in accruals.

19. RELATED PARTY DISCLOSURES

The Chapter of Chichester Cathedral is deemed to be a related party given that a number of Trustees of the Hospital of the Blessed Mary are members of the Chapter of Chichester Cathedral. Members of the finance team of the Chapter of Chichester Cathedral carry out bookkeeping of the Hospital of the Blessed Mary, for which an administration fee is charged. During the year, £159,149 (2019: £158,470) was charged by the Chapter of Chichester Cathedral to the Hospital of the Blessed Mary by way of this administration fee. At 31st December 2020 the Chapter of Chichester owed £9,646 (2019: £5,818).

20. PENSIONS

St Mary's Hospital participates in the Church of England Defined Benefits Scheme (DBS), part of the church Workers Pensions Fund, for employees who joined the staff before 31st December 2002 and the Church Workers Pension Fund Pension Builder 2014 (PB2014). At 31st December 2020 St Mary's had 4 active members in the Fund. The assets of the fund are held separately from those of St Mary's Hospital.

The Defined Benefits scheme was the subject of a full valuation as at 31st December 2019. The fund was shown to be in deficit. The total deficit was assessed to be £17,800, which is included within other creditors, less repayments made in the year.

St Marys' also participates in a Pension Builder (PB2014). Contributions to this scheme are charged to the Statement of Financial Activities as they arise.

Hospital of the Blessed Mary

Detailed Statement of Financial Activities for the Year Ended 31st December 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Resident's contribution	31,269	28,543
Grants	17,007	-
Donations from visitors	<u>2,285</u>	<u>3,146</u>
	50,561	31,689
Investment income		
Rents received	643,478	720,403
Dividends & interest	131,295	171,656
Guest room rental	85	605
Deposit account interest	<u>90</u>	<u>43</u>
	<u>774,948</u>	<u>892,707</u>
Total incoming resources	825,509	924,396
EXPENDITURE		
Investment management costs		
Property repairs	67,990	147,853
Professional charges	24,017	13,033
Insurance	3,152	5,268
Rates	1,459	4,496
Heat & Light	<u>4,980</u>	<u>6,417</u>
	101,598	177,067
Charitable activities		
Wages	164,113	135,241
Social security	10,847	-
Pensions	26,816	29,951
Rates and water	18,694	17,979
Insurance	13,626	10,757
Light and heat	49,013	42,031
Sundries	9,702	20,134
Garden expenses	7,181	31,197
Repairs & maintenance	44,955	269,236
Outings & trips	5,882	8,650
Rent	3,016	3,016
Other staff costs	957	1,256
Depn of St Mary's Courtyard	91,368	91,368
Depn of St Mary's Lodge	6,629	6,629
Grants to institutions	<u>25,000</u>	<u>25,000</u>
	477,799	692,445

This page does not form part of the statutory financial statements

Hospital of the Blessed Mary**Detailed Statement of Financial Activities
for the Year Ended 31st December 2020**

	2020 £	2019 £
Support costs		
Management		
Telephone	9,787	6,272
Postage and stationery	126	16,162
Administration and financial services of Dean and Chapter of Chichester Cathedral	<u>159,149</u>	<u>158,470</u>
	169,062	180,904
Finance		
Bank charges	410	437
Loan	<u>7,288</u>	<u>7,333</u>
	7,698	7,770
Governance costs		
Auditors' remuneration	8,800	7,855
Legal fees	<u>53,514</u>	<u>24,755</u>
	<u>62,314</u>	<u>32,610</u>
Total resources expended	<u>818,471</u>	<u>1,090,796</u>
Net income/(expenditure) before gains and losses	7,038	(166,400)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	(27,473)	14,961
Realised gains/(losses) on investment property	<u>(3,358)</u>	<u>-</u>
Net expenditure	<u><u>(23,793)</u></u>	<u><u>(151,439)</u></u>