

Charity number: 202751

The Hospital of St Cross and Almshouse of Noble Poverty

Trustees' report and

Financial statements

For the year ended 31 December 2020

The Hospital of St Cross and Almshouse of Noble Poverty

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 – 8
Independent Auditor's Report	9 – 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 – 34

The Hospital of St Cross and Almshouse of Noble Poverty

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2020

Charity registered number

202751

Registered office

Hospital of St Cross, St Cross Road, Winchester, SO23 9SD

Co-optative Trustees

Mr Jonathan Cooke (Chairman – from October 2020)

Mr William Corbett (Chairman – from January 2020 until October 2020)

Dr David Firebrace (Chairman – retired January 2020)

Mr Christopher Anderson

Mrs Rosemary Andreae

Mrs Gill Beck (PCC)

Mr Christopher Higgins

Mr Michael Killingley FCA (appointed April 2020)

Mrs Felicity Pennycook ACA (appointed April 2020) (Honorary Treasurer – from December 2020)

Mrs Katherine Wake

Mrs Susan Woodward ACA (Honorary Treasurer - retired December 2020)

Dr Tim Foster (appointed December 2020)

Nominative Trustees

Mr Robin Chute (Winchester College)

Cllr Fiona Mather (Winchester City Council)

Ex-officio Trustees

The Master of St Cross: The Reverend Reg Sweet (retired January 2020), The Reverend Terry Hemming (appointed March 2020)

The Dean of Winchester: The Very Rev Catherine Ogle

The Right Worshipful Mayor of Winchester: Cllr Eleanor Bell (2019/2020), Cllr Patrick Cunningham (2020/2021), Cllr Vivian Achwal (2021/2022)

Clerk to the Trustees

Mrs Catriona Morley

Bankers

National Westminster Bank plc, 105 High Street, Winchester, SO23 9AW

Solicitors

Godwins, 12 St Thomas Street, Winchester, SO23 9HF

Investment Managers

CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Property advisors

Carter Jonas, 9a Jewry Street, Winchester, SO23 8RZ

Auditor

Crowe U.K. LLP, Aquis House, 49-51 Blagrove Street, Reading, RG1 1PL

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Objects, aims, objectives and principal activities

The Trustees' first responsibility for application of income, as set out in the Hospital's Scheme of Management, is to defray out of the income of the Hospital the cost of maintaining the property and all other costs payable in respect of the property and all the proper costs of administration and management of the Hospital. Subject to the payments aforesaid, the Trustees shall apply the income of the Hospital for the benefit of the Brothers in such manner as the Trustees think fit.

The Hospital's principal activity continues to be the provision of a living community which offers a home and haven to elderly gentlemen on the premises of "England's oldest and most perfect Almshouse" and to provide a welcome to all who wish to visit the Hospital and enjoy its surroundings.

Aims

The aims of the Hospital, originally founded around 1132, are to maintain the property, care for the Brothers, welcome visitors and continue the worship at the Church of St Cross for the Brothers and, for the past 500 years, the parishioners of St Faith.

Review of achievements and performance for the year

COVID-19

Sadly one of the aims set out above, to welcome visitors, has not been capable of fulfilment for most of the year under review, as the Trustees' overriding responsibility is to protect the health and welfare of the Brothers and staff. The Hospital closed to visitors in March 2020 because of the restrictions necessarily imposed under the Government's COVID-19 regulations; in May 2021 visitors were allowed back into the gardens, and to the Hundred Men's Hall, albeit at tables outside, and by July it is expected that all restrictions on visitors will be lifted. The Trustees hope that the incidence of the disease will continue to diminish, so that it does not become necessary to impose further restrictions in the future.

The closure has significantly reduced the Hospital's income, as discussed more fully in the financial review below.

Heritage Profile

The closure of the Hospital to visitors may well have been the first such occasion in a very long time and, as such, will be recorded as an historic event. One positive result of this devastating time was that the Brothers were left to enjoy the beautiful, peaceful environment of St Cross all to themselves for many months. Maintenance of the grounds continued throughout the closure and with the cancellation of events and little pressure from visitors the gardens looked immaculate throughout the year. There were also notable benefits to wildlife, with an increase in birds nesting on site.

Review of charitable activities

Buildings conservation

Despite the unbudgeted reduction in income, the planned repair programme for 2020 was largely unaffected. During the year the Chaplain's Lodge was refurbished, at a cost of £64,000; a programme of essential work to renew the plumbing to the Brothers' flats was started, with £50,000 expended during 2020, and an estimated additional £40,000 to be incurred in 2021.

The refurbishment of the medieval Hundred Men's Hall was completed over the winter of 2020/21, largely funded by a generous grant of £25,000 by the Friends of St. Cross Hospital.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Welfare and visitors

The Trustees were pleased to welcome one new Brother to St Cross in March 2020, shortly before the COVID-19 pandemic closed the Hospital. Sadly one Brother died in December, and a second, who had recently left the Hospital for a nursing home, in February 2021. The Hospital currently has several vacancies, and is seeking new applications, but recruitment has been hampered by the pandemic.

The Hospital had fewer than 600 paying visitors in 2020, compared with 8,000 in 2019 and, from 18 March, all events, including weddings, were postponed or cancelled.

Friends of St Cross Hospital

The Friends of St. Cross has about 700 individual members. In normal circumstances the Friends provide a wide range of educational and fund-raising activities both within and outside the premises of the Hospital, but these have been curtailed since the outbreak of the pandemic. In the meantime the Friends have been able to offer members some lectures over Zoom.

In the spring of 2020, as reported above, the Friends donated £25,000 to the Hospital to fund the redecoration and refurbishment of the medieval Hundred Men's Hall, which is used as a café in the spring and summer months. This work has been undertaken over the winter of 2020/21; the Trustees are delighted with the refurbishment and, as noted above, the Hundred Men's Hall has now reopened to visitors.

Financial review

Financial activities

The Hospital suffered a deficit before investment gains in 2020 of £79,000 (2019: surplus: £84,000), primarily because of the substantial shortfall in incoming resources compared with budget.

This shortfall was 23%, with income reduced to £658,000 (2019: £854,000), almost entirely because of the loss of visitor income during the COVID-19 pandemic.

The Hospital was fortunate that investment income was not significantly affected; CCLA, the Hospital's investment managers, have an investment strategy heavily biased towards international, rather than UK, assets; many UK listed companies suspended or reduced dividend payments in 2020 because of the uncertainty created by the pandemic.

Resources expended during the year were well controlled and fell slightly, by 4% to £737,000 (2019: £769,000).

Balance Sheet

The sale for development of land owned by the Hospital at Whitchurch was the culmination of many years' work. The sale proceeds were slightly less than the value included in the 2019 financial statements, giving rise to a paper loss of £252,000; however, the net sale proceeds of £4 million are a valuable addition to the Hospital's investment portfolio.

This has reduced the value of investment properties in the Hospital's balance sheet from £9.8 million to £5.8 million, with a corresponding increase in fixed asset investments to £14.3 million.

A strong investment performance meant that total tangible assets, net of liabilities increased in value to £20.6 million (2019: £20.0 million), despite the shortfall in incoming resources.

Cash at bank and in hand at 31 December 2020 was £88,000 (2019: £55,000).

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Resources and Reserves policy

Total funds at 31 December 2020 were £20.6 million. Of this £17.8 million was permanent endowment and £486,000 related to restricted funds. Within restricted funds £71,300 related to Brothers' welfare and social activities.

Unrestricted funds were £2.3 million of which £659,000 were designated funds. The balance relates to the General Fund which includes £451,000 of tangible fixed assets (mostly the new visitor toilets and boilers).

The Trustees' policy is to plan expenditure within available resources whilst retaining reserves to provide a degree of flexibility to meet the cost of major repairs. These can be significant when maintaining ancient Grade 1 listed buildings.

Investment policy

The foundation buildings and the investment properties are managed to best effect with the aid of quinquennial inspections and reports.

Monetary investments are currently held in common investment funds, where the fund managers practise socially responsible investment. The policy applicable to equity-based investments is to produce the best income compatible with longer-term capital growth and security. The policy applicable to fixed interest and variable interest-bearing investments is to aim for maximum income subject to protection of capital (such investments are made into highly rated bonds or deposits).

Auditors

Mazars LLP resigned as auditors during 2020 and Crowe U.K. LLP were appointed to replace them.

Outlook and future plans

The Hospital will continue the aims as stated above, namely the maintenance and refurbishment of the fabric of the church and hospital buildings, and the welfare of the Brothers. The welfare of the Brothers in these difficult times is paramount and additional procedures are in place to ensure their safety, and that of our staff.

The COVID-19 pandemic had a significant adverse effect on the Hospital's income in 2020, and this has continued into 2021. The Hospital is well funded and managed, and is thus able to withstand these shocks but, as long as there is significant uncertainty over future income, the Trustees will only commit to future plans to the extent that it is prudent to do so.

Subject to this cautionary note, the budget for 2021 includes provision for repairs to the church south transept, sacristy and roof, at an estimated cost of £120,000.

Over the coming years the Trustees also plan to carry out a comprehensive refurbishment of the Brothers' flats; planning consent has now been received. This is a major project, likely to extend over several years, and is beyond the ability of the Hospital to fund solely from its own reserves. The Trustees are therefore now considering how best to raise the funds for the refurbishment, and when and in what way the programme of refurbishment should start.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Because of the COVID-19 pandemic, no further progress has been made on the Landscape Review and Masterplan, which is intended to create a historically relevant management plan for the Hospital's immediate land and grounds. During 2020 we drew up a Tree Management Strategy which covers the extent of the ash dieback and recommendations for other tree works. We have also held discussions with Hampshire and Isle of Wight Wildlife Trust (HIWWT) about improving the habitat in the water meadows and the park to help the plight of the Southern Damselfly, but no work will take place any earlier than Autumn 2021.

Public benefit and the relief of poverty

The two foundations of the Hospital of St Cross (established 1132) and the Almshouse of Noble Poverty (established 1455) were founded to provide relief for the poor and needy, through the provision of accommodation and sustenance. The Trustees of the (now combined) foundations are, in addition, fully committed to the maintenance in their original style of the Hospital's unique set of grade-one-listed medieval buildings and have in place a continuing programme of repair and improvement.

The Hospital is at the heart of the local community. As an historic almshouse, it provides accommodation for twenty-five elderly men. The visiting public are welcome for 363 days in the year to visit the ancient buildings, walk in the gardens, request the Wayfarer's Dole and take refreshment provided by the Hospital volunteers in the medieval tearoom.

The Hospital's website is being continuously developed and improved to provide interesting and useful information for the local community, visitors and prospective Brothers. A new page about the historic graffiti survey has been added and work is ongoing to produce a page about the various archaeological digs which have taken place over the years. The Hospital explores ways in which it can help with environmental issues and has expanded the directions page on the website to include information on all the options available to visitors to travel to the site, including public transport. During the pandemic the Hospital's social media platforms have been regularly updated to keep the public informed about how the Hospital's Brothers and staff have been coping with the lockdowns, to provide guidance on opening times and to publish messages of thanks to all the local volunteers who have helped throughout the lockdowns.

The areas of public benefit set out in the following paragraphs remain central to the role of the Hospital in the community, albeit that so many of these activities were curtailed or cancelled in 2020 and the first part of 2021 because of the COVID-19 restrictions.

- The Hospital enjoys an excellent association with the Parish of St Faith, who have worshipped at St Cross since 1507 when their own church fell into disrepair. The Parish regard St Cross Church as their principal place of worship with a typical Sunday attendance of well over 100 worshippers. They do much to assist in the upkeep of the church. In addition the Parish hold the annual local fete, which is enjoyed by up to 2000 people, in the grounds of the Hospital.
- The church and other buildings within the Hospital are in regular use by the Friends and other local groups for worship, concerts, educational purposes and events. There is a very strong musical tradition which continues to flourish with a very fine church organ and an active church choir. The church is in high demand for concerts and musical performances.
- The Brothers' Library is equipped to provide a flexible education room. School parties can visit to learn about the Hospital using a carefully-designed activity programme which is based on the current Key Stage 2 school curriculum. These school visits are managed in conjunction with HIWWT. HIWWT conduct educational wildlife tours of the Water Meadows which were followed by a visit to the Hospital. Local schools and a higher education college use the church and medieval halls for services and degree ceremonies.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

- Outside the main site, the Hospital provides several other significant facilities which help to nurture a strong sense of local community. These include the provision of the Parish Hall and 80 traditional allotments in a beautiful setting by the river. The Parish Hall is in constant community use for the local pre-school nursery, Girl Guides, Brownies and other local activities such as yoga and dance classes.
- The meadows which surround the Hospital provide a peaceful setting in which the public are able to walk and relax free of charge. The meadow is let to and managed by HIWWT as part of their programme of countryside management and public education. Beyond the meadow, the Hospital lets its land to the local St Cross Cricket Club where regular matches are held for both adult and youth cricket.
- The Hospital records since its original foundation are documents of considerable historical interest and importance. To reduce the risk of their loss or destruction, the records are held and preserved by the Hampshire Record Office and are available for public view within certain limitations to protect individual privacy. Plans are in place to continue adding to the archives.

Structure, governance and management

Governing document

The Hospital of St Cross (the Hospital) is a registered charity whose objects are set out in the Charity Commission Scheme dated 5 November 1984, as varied by the Scheme of 14 March 1990, an Order of 1 November 2006, a Memorandum of 5 September 2006 and Resolutions of 23 June 2009 and 20 March 2012. There are two foundations, the Hospital of St Cross and the Almshouse of Noble Poverty. The Hospital's property and assets are owned by the two foundations as the Corporation of the Master and Brethren [Brothers] of the House or Hospital of St Cross and the Trustees administer it on behalf of the Corporation.

Trustees

The names of the Trustees who served during the year and to the date of this report are shown on page 1. Co-optative Trustees are appointed by the Trustees and serve for five years. One nominative Trustee is appointed by Winchester City Council and serves (while in office as Councillor) for four years. The other nominative Trustee is appointed by the Warden of Winchester College. The Trustees meet quarterly and have appointed committees covering finance, property, risk management, visitors and welfare. Each Trustee usually sits on two committees.

In January 2020, the Rev. Reg Sweet retired after twenty years service to the Hospital, eight years as Master, following twelve years as Chaplain. He was succeeded in March 2020 by the Rev. Terry Hemming.

Trustee recruitment

Co-optative Trustees are recruited after a thorough selection and interview process which ensures that a balance of relevant skills is maintained across the Board.

Trustee training

Each Trustee, upon appointment, receives a Trustee's welcome and induction pack, indicating the range of their responsibilities; in addition some of the Trustees attend annual seminars on accounting for charities and recent charity legislation and practice. All Trustees also receive copies of the magazine, Governance, which provides essential information for effective Trustees.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Organisational management

Under the current Charity Commission Scheme of Management (revised 2012), responsibility for the management and control of the Hospital and the Brethren rests with the Trustees. The day-to-day running of the Hospital, the maintenance of the premises and management of the employees is delegated to the Clerk to the Trustees, under the general superintendence of the Trustees. The Master of St Cross (himself a Trustee) is charged with the pastoral welfare of the Brethren.

Brothers' accommodation is kept to a high standard and advertised regularly to ensure that any vacancy is filled quickly and appropriately.

Risk management

The Trustees have examined the principal areas of the Hospital's operations and considered the major risks faced in each of these areas.

The Risk Management Committee biannually establishes, assesses and categorises all risks. In the opinion of the Trustees, the Hospital has established resources and review systems which allow these risks to be mitigated to an acceptable level in day-to-day operations.

During the COVID pandemic, a standing committee of trustees has met weekly online to review the latest guidance and information to enable it to take whatever action is necessary to keep the Brothers and staff safe.

Maintenance of income streams is vital in order to continue to meet the Hospital's objects. Reserves are invested in a mix of investment properties and stock market investment funds in order to spread risk whilst producing a regular income stream. Trustees work together with the Investment Manager and Property Adviser to ensure that an appropriate asset allocation is maintained.

The repair and safeguarding of Grade 1 listed medieval buildings is costly and good maintenance is an important part of this. All Heritage buildings are subject to quinquennial inspection and there is a continual programme of repair and improvement. Regular insurance reviews are carried out.

Annual fire risk assessments are carried out and the Hospital works closely with the local Fire Service to ensure quick and effective access in the event of an emergency. The Hospital is also compliant with the latest Health and Safety Management System backed by regular internal and external audits.

It is hoped that the easing of restrictions in 2021 will facilitate a return to work on the list of building improvements which will further improve the accessibility and safe enjoyment of the Hospital site.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees' responsibilities for the financial statements

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

The law applicable to charities in England and Wales requires the 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 resource of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legalisation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The report was approved by the Trustees at their meeting on 22 June 2021 and signed on their behalf by:



Jonathan Cooke – Chairman

The Hospital of St Cross and Almshouse of Noble Poverty

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HOSPITAL OF ST CROSS AND ALMSHOUSE OF NOBLE POVERTY

FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Hospital of St Cross and Almshouse of Noble Poverty ('the charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 2020 and of income and expenditure, 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 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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

The Hospital of St Cross and Almshouse of Noble Poverty

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HOSPITAL OF ST CROSS AND ALMSHOUSE OF NOBLE POVERTY

FOR THE YEAR ENDED 31 DECEMBER 2020

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 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; 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 set out on page 8, 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.

Auditor's responsibilities for the audit of the financial statements

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.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

The Hospital of St Cross and Almshouse of Noble Poverty

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HOSPITAL OF ST CROSS AND ALMSHOUSE OF NOBLE POVERTY

FOR THE YEAR ENDED 31 DECEMBER 2020

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context were Charity Commission regulations and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, judgements involved in the valuation of investment property and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases including assumptions used to establish the year end investment property value, sample testing of income documentation and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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



Crowe U.K. LLP
Statutory Auditor

Reading
17 August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Hospital of St Cross and Almshouse of Noble Poverty

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations, grants and legacies	2	-	25,404	27,925	53,329	85,584
Activities for generating funds	3	-	-	6,701	6,701	28,463
Investment income	4	-	2,742	424,034	426,776	436,910
Charitable activities	5	-	-	171,232	171,232	302,719
Total income		-	28,146	629,892	658,038	853,676
Expenditure on:						
<i>Raising funds:</i>						
Costs of generating voluntary income	6	-	-	6,001	6,001	15,610
Investment management costs	7	16,475	-	29,010	45,485	62,326
Charitable activities	8	-	11,599	674,302	685,901	691,805
Total expenditure		16,475	11,599	709,313	737,387	769,741
Net incoming (outgoing) resources before investment gains		(16,475)	16,547	(79,421)	(79,349)	83,935
Net gains (losses) on investments	14	495,939	32,626	124,755	653,320	1,267,466
Net income before transfers		479,464	49,173	45,334	573,971	1,351,401
Transfers between funds	15	10,308	1,625	(11,933)	-	-
Net movement in funds		489,772	50,798	33,401	573,971	1,351,401
Reconciliation of funds:						
Total funds at 1 January 2020		17,291,696	435,009	2,254,912	19,981,617	18,630,216
Total funds at 31 December 2020		17,781,468	485,807	2,288,313	20,555,588	19,981,617

The Hospital of St Cross and Almshouse of Noble Poverty

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible assets	16		451,005		471,760
Investment Properties	17		5,821,000		9,831,000
Investments	18		14,309,296		9,683,207
			20,581,301		19,985,967
Current assets					
Debtors	19	9,504		30,894	
Cash at bank and in hand		87,882		54,536	
		97,386		85,430	
Creditors: amounts falling due within one year	20	(123,099)		(89,780)	
Net current (liabilities)/assets			(25,713)		(4,350)
Net assets			20,555,588		19,981,617
Charity funds					
Permanent funds	21		17,781,468		17,291,696
Restricted funds	22		485,807		435,009
Unrestricted funds	23		2,288,313		2,254,912
Total funds			20,555,588		19,981,617

The financial statements were approved by the Trustees at their meeting on 22 June 2021 and signed on their behalf, by:


Jonathan Cooke – Chairman


Felicity Pennycook – Honorary Treasurer

The notes on pages 15 to 34 form part of these financial statements.

The Hospital of St Cross and Almshouse of Noble Poverty

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net income (outgoings) for the year (as per Statement of Financial Activities)		(79,349)	83,935
Adjustment for:			
Dividends, interest and rents from investments		(426,776)	(436,910)
Decrease in debtors		21,390	7,115
(Decrease) in creditors		33,318	(33,523)
Depreciation of tangible fixed assets		34,397	22,098
Net cash provided by operating activities		(417,020)	(357,285)
Cash flows from investing activities			
Purchase of fixed asset investments		(4,010,579)	(34,433)
Transfers to cash from investments		50,000	-
Purchase of tangible fixed assets		(13,642)	(184,484)
Disposal of tangible fixed assets		3,997,811	-
Dividends, interest and rents receivable		426,776	436,910
Net cash used in investing activities		450,366	217,993
Change in cash and cash equivalents in the year	25	33,346	(139,292)
Cash and cash equivalents brought forward		54,536	193,828
Cash and cash equivalents carried forward		87,882	54,536

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies and Key Judgements

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 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Hospital of St Cross and Almshouse of Noble Poverty 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.

1.2 Going concern

The Trustees consider that there are no material uncertainties about the Hospital's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Hospital are the level of investment return and the performance of investment markets, which have recently been impacted by COVID-19 (see the investment policy and risk management sections of the Trustees' annual report for more information). Cash resources over the next year will be stretched and some of the unrestricted investment portfolio may need to be liquidated in order to deal with this.

1.3 Tangible assets

Heritage assets

The freehold properties described in Note 17 on page 27 are not included in the balance sheet at a monetary value as neither their costs, which have been fully written off, nor their market values are available. Significant improvements to the fitting out of heritage assets are capitalised where appropriate as fixtures and fittings.

Fixtures, fittings and plant

Individual assets costing more than £5,000 are capitalised and included at cost, including any incidental costs of acquisition.

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 basis:

Fixtures & Fittings	- 15 years straight line
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The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies and Key Judgements

Investment properties

Investment properties are included in the balance sheet at their open market values by a professional revaluation every five years and by the Trustees in the intervening years. The surplus or deficit on revaluation of individual properties is transferred to the permanent endowment fund via the Statement of Financial Activities. Depreciation is not provided in respect of freehold investment properties, in accordance with Section 16: Investment Property of FRS 102.

1.4 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

The Hospital does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Hospital is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6 Stocks

The cost of publications and souvenirs for public sale is charged to revenue in the year in which the cost is incurred. No adjustment is made in the accounts to reflect quantities remaining on hand at the balance sheet date. The Trustees consider that this policy does not represent a material departure from Section 13: Inventories of FRS 102.

1.7 Contingent liabilities

A contingent liability is identified and disclosed resulting from a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control, a present obligation where settlement is either not considered probable, or the amount has not been communicated and that amount cannot be estimated reliably.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies and Key Judgements

1.8 Incoming resources

All incoming resources are recognised once the Hospital has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

"Incoming resources from generated funds" include donations, legacies, grants, investment income and sales to visitors and other external users of the Hospital's facilities.

"Incoming resources from charitable activities" derive from the Hospital's pursuit of its charitable objects.

Donations (including Gift Aid recoveries) are recognised when the Hospital has been notified in writing of both the amount and settlement date, or when they are received. In the event that a donation is subject to conditions that require a level of performance before the Hospital is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Hospital and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are accounted for on a receivable basis. Pecuniary legacies are recognised following formal notification from the estate. Residuary legacies are recognised only when the Hospital's interest can be measured, which is normally on grant of probate.

Grants receivable in respect of expenditure incurred during the year are brought into account provided they have been approved for payment at the year end.

Dividends and interest, bank deposit account interest, and rents receivable are brought into account on a receivable basis.

Income from public visiting and similar activities is recognised when received.

1.9 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Hospital to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Hospital is not registered for VAT and accordingly expenditure is shown inclusive of VAT.

"Costs of generating funds" comprise costs of attracting voluntary income, costs of goods sold for fund raising purposes, and costs of managing the investment properties.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies and Key Judgements

“Charitable activities” comprise costs to maintain the charitable property and to provide accommodation and welfare for the Brothers.

Support costs, comprising salaries and office costs, have been allocated to the activity cost categories based on an estimate of the time spent.

1.10 Pension schemes

For eligible salaried employees the Hospital participates in the Church of England Pension Builder Classic scheme within the Church Workers Pension Fund (CWPF), a deferred annuity scheme which is a defined benefit scheme. The pension costs charged against the surplus or deficit for the year represent the contributions payable to the scheme in respect of the accounting period. If there were to be a large funding deficit over a prolonged period, additional contributions might become payable, although to date the CWPF has never sought any such contributions.

1.11 Funds

The Hospital's permanent endowment funds are set out in note 21 to the financial statements. They comprise the permanent endowment funds of the two constituent charities, the Hospital of St Cross Foundation and the Almshouse of Noble Poverty Foundation. The income from the investment assets of the funds is unrestricted. The Hospital also has three funds set up under Recoupment Orders issued by the Charity Commission to restore permanent endowment capital expended on major projects.

Restricted funds are funds subject to specific conditions within the objects of the Hospital and are set out in note 22 to the financial statements.

Unrestricted funds are funds where no restrictions are placed on the use by the Hospital upon either the capital or the income and comprise:

- (i) The Commander J S Baker Bequest – a designated fund
- (ii) The Miss G M Bauer Bequest – designated by the Trustees for use on arboricultural and horticultural projects
- (iii) General fund – to provide the Hospital's working capital.

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.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting Policies and Key Judgements

1.12 Key Judgements

Certain reported amounts of assets and liabilities are subject to estimates and assumptions. Estimates and judgements by management are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Investment property

The investment property valuation is reviewed annually by the Trustees. The properties are stated at fair value with changes in the fair value being recognised in the Statement of Financial Activities.

2. Income from donations, grants and legacies

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	-	404	1,841	2,245	20,834
Grants	-	25,000	26,084	51,084	34,750
Legacies	-	-	-	-	30,000
Total donations and legacies	-	25,404	27,925	53,329	85,584

3. Fundraising income

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Events	-	-	-	-	2,010
Shop sales	-	-	6,606	6,606	15,929
Tearoom sales	-	-	95	95	10,524
Total fundraising income	-	-	6,701	6,701	28,463

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4. Investment income

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Rent receivable	-	-	131,792	131,792	140,504
Investment income	-	2,742	292,242	294,984	296,406
Total investment income	-	2,742	424,034	426,776	436,910

5. Income from charitable activities

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Recoveries from Brothers	-	-	160,931	160,931	170,701
Primary purpose trade	-	-	6,639	6,639	79,291
Ancillary trade	-	-	3,662	3,662	52,727
Total	-	-	171,232	171,232	302,719

6. Costs of generating voluntary income

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Expenses of public visiting	-	-	2,564	2,564	3,888
Costs of goods sold	-	-	3,437	3,437	11,722
Total	-	-	6,001	6,001	15,610

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7. Investment management costs

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment property repairs	-	-	13,233	13,233	13,133
Investment property management fees (a)	16,475	-	6,767	23,242	39,698
Support costs (note 11)	-	-	9,010	9,010	9,495
	16,475	-	29,010	45,485	62,326

(a) Investment property management fees charged to permanent funds relate to the exploration of the development potential of some of the Hospital's land holdings.

8. Analysis of expenditure on charitable activities

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Upkeep of historic buildings	-	9,161	321,647	330,808	313,777
Brothers' welfare	-	2,438	197,202	199,640	227,509
Public visiting and advertising expenses	-	-	49,827	49,827	27,814
Volunteer expenses	-	-	1,000	1,000	1,000
Costs of goods sold	-	-	1,746	1,746	12,229
Professional fees	-	-	-	-	10,123
Depreciation	-	-	34,397	34,397	22,098
Governance costs (note 10)	-	-	68,483	68,483	77,255
	-	11,599	674,302	685,901	691,805

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure on charitable activities by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Upkeep of historic buildings	312,900	17,908	330,808	313,777
Brothers' welfare	169,368	30,272	199,640	227,509
Public visiting and advertising expenses	22,666	27,161	49,827	27,814
Volunteer expenses	1,000	-	1,000	1,000
Costs of goods sold	1,746	-	1,746	12,229
Professional fees	-	-	-	10,123
Depreciation	34,397	-	34,397	22,098
Governance costs (note 10)	15,783	52,700	68,483	77,255
	557,860	128,041	685,901	691,805

10. Governance costs

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Audit fees	-	13,590	13,590	12,799
Other professional fees	-	2,193	2,193	4,839
Support costs (note 11)	-	52,700	52,700	59,617
	-	68,483	68,483	77,255

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

11. Allocation of support costs and overheads

	Investment property management (Note 7) £	Charitable activities (Note 9) £	Governance (Note 10) £	Total £
2020				
Clerical Salaries	9,010	66,883	47,062	122,955
Office costs	-	8,458	5,638	14,096
	9,010	75,341	52,700	137,051
2019				
Clerical Salaries	9,495	52,521	52,413	114,429
Office costs	-	13,378	7,204	20,582
	9,495	65,899	59,617	135,011

12. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	284,418	273,483
Social security costs	22,586	20,881
Pension costs	14,802	13,837
	321,806	308,201

The average number of employees during the year was 19 (2019: 19). The full time equivalent of these was 11 (2019: 11). No employee received emoluments of more than £60,000 (2019: nil).

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

13. Pension costs

The Hospital participates in the Pension Builder Scheme section of the Church Workers Pension Fund (CWPF) for lay staff. The Scheme is administered by the Church of England Pensions Board (the Board), which holds the assets of the schemes separately from those of the Employer and the other participating employers.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Financial Activities in the year are the contributions payable (2020: £14,802, 2019: £13,837). Contributions outstanding at the year end were £nil (2019: £nil).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2019, and was finalised in March 2021.

The valuation revealed a deficit of £4.8m for the whole of the Pension Builder Classic section on the ongoing assumptions used. The pension scheme administrators have estimated that the Hospital's share of the liabilities of the scheme is of the order of 0.2% of the total, which is less than £10,000. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have improved the funding position. There is currently no requirement for deficit payments to be made.

The legal structure of the scheme is such that if another employer fails, the Hospital could become responsible for paying a share of that employer's pension liabilities.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

14. Net gains on investment assets

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Unrealised gains/(losses) on revaluation of investment properties	240,000	-	-	240,000	(75,000)
Realised gains/(losses) on investments	(252,189)	-	-	(252,189)	-
Unrealised gains/(losses) on investments	508,128	32,626	124,755	665,509	1,342,466
	495,939	32,626	124,755	653,320	1,267,466

15. Gross transfers between funds

	Permanent funds £	Restricted funds £	Unrestricted funds £
Appropriations to permanent and restricted funds	10,308	1,625	(11,933)
	10,308	1,625	(11,933)

Appropriations to permanent funds represent the annual contributions made to recoupment orders of the Charity Commission. Appropriations to restricted funds represent the annual contribution to the Extraordinary Repair Fund and are offset by a transfer from restricted funds due to funds being de-restricted following the conditions of the restriction being met.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16. Tangible fixed assets

	Fixtures, fittings & plant £	Total £
Cost or valuation		
At 1 January 2020	515,956	515,956
Additions	13,642	13,642
On revaluations	-	-
At 31 December 2020	529,598	529,598
Depreciation		
At 1 January 2020	44,196	44,196
Charge for the year	34,397	34,397
At 31 December 2020	78,593	78,593
Net book value		
At 31 December 2020	451,005	451,005
At 31 December 2019	471,760	471,760

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

17. Fixed asset investment properties

	Investment properties <i>Hospital</i> £	Investment properties <i>Noble Poverty</i> £	Total £
Cost or valuation			
At 1 January 2020	8,946,000	885,000	9,831,000
Additions	-	-	-
Disposals	(4,250,000)	-	(4,250,000)
On revaluations	196,000	44,000	240,000
At 31 December 2020	4,892,000	929,000	5,821,000
Net book value			
At 31 December 2020	4,892,000	929,000	5,821,000
At 31 December 2019	8,946,000	885,000	9,831,000

Investment properties

The investment properties were revalued as at 31 December 2018 at open market value and the values were reviewed and adjusted as at 31 December 2020, on the advice of the Chairman of the Property Committee.

Heritage assets

The heritage assets are the property of the Hospital of St Cross Foundation and Almshouse of Noble Poverty Foundation jointly and comprise 25 Almshouses, the Church of St Cross, hall, gatehouse and ancillary buildings, and St Faith's Churchyard. The conservation of these buildings is one of the Hospital's primary objectives. The buildings were constructed in earlier centuries and their original cost has long since been written off and are therefore held at £nil net book value. No significant building unit has been added during the past sixty years.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

18. Fixed asset investments

	Permanent funds £	Restricted funds £	Unrestricted funds £	Total funds £
CCLA Funds at market value				
At 1 January 2020	7,460,696	418,057	1,804,455	9,683,208
Recoupments	10,308	1,625	-	11,933
Additions	3,998,646	-	-	3,998,646
Transfers Between Funds	(17,310)	-	17,310	-
Transfers to Cash	-	-	(50,000)	(50,000)
Change in market value	508,128	32,626	124,755	665,509
At 31 December 2020	11,960,468	452,308	1,896,520	14,309,296

19. Debtors

	2020 £	2019
Trade debtors	6,968	21,620
Other debtors	494	3,761
Prepayments and accrued income	2,042	5,513
	9,504	30,894

20. Creditors

	2020 £	2019 £
Trade creditors	62,317	21,709
Taxation and social security	5,567	5,183
Other creditors	18,876	18,851
Accruals and deferred income	36,339	44,037
	123,099	89,780

In the 2019 accounts the deferred income was included within Other Creditors. This has been adjusted in 2020 to include deferred income within Accruals and deferred income and the 2019 comparative adjusted in line with this. Deferred income relates to deposits paid for future events/weddings; the balance held at the end of the year was £7,905 (2019: £4,781).

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Permanent endowment funds

	At 1 Jan 2020 £	Movement for the year £	At 31 Dec 2020 £
Hospital of St Cross Foundation	15,623,068	380,785	16,003,853
Almshouse of Noble Poverty Foundation	1,379,102	75,562	1,454,664
	17,002,170	456,347	17,458,517
91, 93, 95 St Cross Road recoupment fund (a)	105,727	8,858	114,585
Porter's Lodge recoupment fund (b)	54,901	5,624	60,525
Brothers' flats recoupment fund (c)	128,898	18,943	147,841
	289,526	33,425	322,951
	17,291,696	489,772	17,781,468

Movements on recoupment funds include the required annual contribution together with unrealised gains and losses on the funds invested.

- a) Recoupment of expenditure on No's 91, 93 and 95 St Cross Road (established in 1991: annual contributions of £2,083 to be made for 60 years). Income can be used for the purposes of the Hospital.
- b) Recoupment of expenditure on the Porter's Lodge (established in 2003: annual contributions of £2,100 to be made for 40 years). Income can be used for the purposes of the Hospital.
- c) Recoupment of expenditure refurbishing the Brothers' flats (in 2006 the Charity Commission authorised a withdrawal of up to £400,000 with annual contributions to be made over 40 years). As at 31 December 2020 £245,000 had been withdrawn (annual contribution £6,125). Income can be used for the purposes of the Hospital.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

22. Restricted funds

	At 1 Jan 2020 £	Movement for the year £	At 31 Dec 2020 £
Extraordinary repair funds (a)	361,617	37,100	398,717
John Hatton fund (b)	68,453	(1,471)	66,982
Brothers' welfare fund (c)	4,939	(670)	4,269
Friends grant fund (d)	-	15,839	15,839
	435,009	50,798	485,807

- a) Exceptional repairs to property (Scheme of 5 November 1984, clause 46: annual contributions of not less than £1,625).
- b) To provide for the Hospital's general purposes for the benefit and advancement of the social life of the Brothers.
- c) To provide for the welfare of the Brothers through donations given through collection boxes. Donations totalling £361 were received in the year and £1,031 disbursed.
- d) To provide for specified repairs to the Hospital. Grants totalling £25,000 were received in the year and £9,161 expended.

23. Unrestricted funds

	At 1 Jan 2020 £	Movement for the year £	At 31 Dec 2020 £
Designated funds:			
Commander J S Baker Bequest	461,984	29,528	491,512
Miss G M Bauer Bequest	140,971	26,933	167,904
	602,955	56,461	659,416
General fund	1,651,957	(23,060)	1,628,897
	2,254,912	33,401	2,288,313

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

24. Analysis of net assets between funds

	Permanent funds 2020 £	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Tangible fixed assets	-	-	451,005	451,005	471,760
Fixed asset investment properties	5,821,000	-	-	5,821,000	9,831,000
Fixed asset investments	11,960,468	452,308	1,896,520	14,309,296	9,683,207
Current assets	-	33,499	63,887	97,386	85,430
Creditors due within one year	-	-	(123,099)	(123,099)	(89,780)
	17,781,468	485,807	2,288,313	20,555,588	19,981,617

Analysis of net assets between funds (prior year comparative)

	Permanent funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Tangible fixed assets	-	-	471,760	471,760	309,374
Fixed asset investment properties	9,831,000	-	-	9,831,000	9,906,000
Fixed asset investments	7,460,696	418,056	1,804,455	9,683,207	8,306,308
Current assets	-	16,953	68,477	85,430	231,837
Creditors due within one year	-	-	(89,780)	(89,780)	(123,303)
	17,291,696	435,009	2,254,912	19,981,617	18,630,216

25. Analysis of changes in net cash

	At 1 Jan 2020 £	Cash flow £	At 31 Dec 2020 £
Cash at bank and in hand	34,605	(10,447)	24,158
Cash held with investment manager	19,931	43,793	63,724
Net Cash	54,536	33,346	87,882

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

26. Financial instruments

	2020 £	2019 £
Basic financial assets	14,404,640	9,763,124
Basic financial liabilities	(117,532)	(84,597)

Basic financial assets are all investments (excluding investment properties), debtors plus cash in hand minus prepayments.

Basic financial liabilities are all creditors due in less than one year plus creditors due in more than one year minus taxation payable.

The entity's income, expense, gains and losses in respect of financial instruments are summarised below:-

	2020 £	2019 £
Total dividend and interest income for basic financial assets	294,984	296,406
Total (losses)/gains in respect of basic financial assets	665,510	1,342,466

27. Financial Commitments

Non-cancellable operating lease rentals receivable

	2020 £	2019 £
Less than one year	49,795	66,157
After one year and less than five years	13,219	20,927
After five years	-	-
	63,014	87,084

The lease rentals receivable relates to rent income receivable from the Hospital's investment properties. The amounts receivable are limited to the next rent review date for agricultural properties or the earlier of the lease end date or break clause for other properties.

28. Commitments and contingencies

There were no material commitments at 31 December 2020 or 31 December 2019 apart from routine maintenance work in progress.

There were no contingent liabilities at 31 December 2020 or 31 December 2019.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

29. Related party transactions and Trustees' expenses and remuneration

No Trustee received any remuneration or reimbursement of expenses from the Hospital during the year.

Mrs. Susan Woodward, Mr Jonathan Cooke and Mr. Robin Chute are also Trustees of the Friends of St Cross Hospital Winchester. The Friends made a grant of £25,000 (2019: £17,000) to the Hospital during the year.

Key management personnel received total remuneration of £nil during the year (2019: £nil).

L Woodward, daughter of S Woodward (Trustee) was employed on an arms length basis during the year. Total remuneration during the year was £457.

During the year, total donations by the trustees to the charity amounted to £245 (2019: £nil).

30. Post Balance Sheet Events

Since the balance sheet date, the global Coronavirus outbreak, which was declared to be a pandemic in March 2020, has continued to gravely affect life in the UK and world-wide. In order to delay the spread of the virus and ultimately contain it, an extensive vaccination programme began in early 2021, which appears to be gradually having a positive effect, together with social distancing, business closures and travel bans. The Trustees considered the financial impact of this pandemic and have concluded that the matter is a non-adjusting post balance sheet event. See COVID-19 paragraph in the Trustees' Report on page 2.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

31. Additional prior year comparatives – statement of financial activities

	Note	Permanent funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations, grants and legacies	2	-	7,385	78,199	85,584	53,783
Activities for generating funds	3	-	-	28,463	28,463	28,126
Investment income	4	-	2,340	434,570	436,910	441,172
Charitable activities	5	-	-	302,719	302,719	284,624
Total income		-	9,725	843,951	853,676	807,705
Expenditure on:						
<i>Raising funds:</i>						
Costs of generating voluntary income	6	-	-	15,610	15,610	15,210
Investment management costs	7	32,938	-	29,388	62,326	198,353
Charitable activities	8	-	12,586	679,219	691,805	728,675
Total expenditure		32,938	12,586	724,217	769,741	942,238
Net incoming (outgoing) resources before investment gains		(32,938)	(2,861)	119,734	83,935	(134,533)
Net gains (losses) on investments	14	941,118	62,484	263,864	1,267,466	(1,910,111)
Net income before transfers		908,180	59,623	383,598	1,351,401	(2,044,644)
Transfers between funds	15	10,308	1,625	(11,933)	-	-
Net movement in funds		918,488	61,248	371,665	1,351,401	(2,044,644)
Reconciliation of funds:						
Total funds at 1 January 2019		16,373,208	373,761	1,883,247	18,630,216	20,674,860
Total funds at 31 December 2019		17,291,696	435,009	2,254,912	19,981,617	18,630,216