

Charity number: 202751

The Hospital of St Cross and Almshouse of Noble Poverty

Trustees' report and

Financial statements

For the year ended 31 December 2022

The Hospital of St Cross and Almshouse of Noble Poverty

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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 2022

Charity registered number

202751

Registered office

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

Co-optative Trustees

Mr Jonathan Cooke (Chairman)

Mr William Corbett

Mr Christopher Anderson (retired March 2023)

Mrs Rosemary Andrae (retired March 2022)

Mrs Gill Beck (PCC)

Mr Christopher Higgins

Mr Michael Killingley FCA

Mrs Imogen Lyndon Skeggs (appointed March 2022)

Mrs Felicity Pennycook ACA (Honorary Treasurer)

Mrs Katherine Wake

Dr Tim Foster

Mr Jonathan Portal (appointed March 2023)

Nominative Trustees

Cllr Fiona Mather (Winchester City Council)

Mr Adam Rattray (Winchester College – appointed June 2021)

Ex-officio Trustees

The Master of St Cross: The Reverend Terry Hemming (retired December 2022), The Reverend Dominik Chmielewski (appointed December 2022)

The Dean of Winchester: The Very Reverend Catherine Ogle

The Right Worshipful Mayor of Winchester: Cllr Vivian Achwal (2021/2022), Cllr Derek Green (2022/2023), Cllr Angela Clear (2023)

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 2022

Principal activities and aims

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.

The Hospital was originally founded around 1132 by Henri de Blois, Bishop of Winchester. Its aims 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

Heritage Profile

After two years of significant disruption due to the Covid pandemic and restrictions, visitor numbers recovered significantly, albeit not yet to the levels of 2019. To broaden its heritage profile the Hospital became a member of Historic Houses which will provide new marketing outlets and opportunities.

The Hospital receives a number of enquiries each year relating to its history. These include questions from families whose relatives might have been residents in the past and academics researching specific areas such as stained-glass windows or medieval floor tiles. The Hospital draws on a number of resources to help respond to such enquiries including dedicated professionals (such as archaeologists and architects), the Hampshire Records Office and the Hospital's own in-house staff.

The project to commemorate the Hospital's 900 year anniversary (in 2032) is progressing; a list of ideas was drawn up which, once finalised, will be put through a voting process. In September the Hospital took part in the National Heritage Open Days scheme, which offers free entry for one day in order to celebrate and promote the UK's history and culture.

The Hospital of St Cross continued to be a site of interest to film makers. Location scouts are always impressed by the well conserved buildings which provide a fantastic unspoilt historic setting.

The Hospital's success in supporting the conservation of swifts was highlighted on the BBC's daily programme, *The One Show*. A feature, presented by the naturalist, Chris Packham, was filmed at St Cross in August which highlighted the work of the Hampshire Swifts group, who have installed 35 nest boxes at the Hospital. The number of breeding birds rearing young at the Hospital increased again in 2022 compared to the previous years; making St Cross a desirable location for film makers and Swifts alike!

Review of charitable activities

Buildings conservation

The church roof is nearing the end of its useful life. Extensive, and costly, repairs were originally budgeted to take place in 2021 but, with advice from the Hospital's architects, temporary repairs were carried out on the church south transept, sacristy and south chancel roofs, which should enable their replacement to be delayed until later in the 2020s.

Despite this, there has been a heavy programme of repairs during 2022, at a cost of some £250,000. This has included £98,000 of necessary repairs on our let properties on St. Cross Road; £34,000 on replacing the paving beneath the Beaufort Tower (half the cost of which was covered by a generous donation by the Friends of St. Cross Hospital in 2021); £11,000 on the refurbishment of the Brothers' kitchens; and £26,000 of professional fees in respect of the planned refurbishment of the Brothers' flats, referred to later in this report.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Welfare and visitors

5 new Brothers took up residence at St. Cross during 2022, while one left to take up residence in a nursing home; sadly one Brother died in January 2022 and another in January 2023.

The Hospital had about 5,000 paying visitors in 2022, well ahead of the 3,500 and 600 in the two previous, pandemic affected years; it is however still well below the 8,000 visitors in 2019. There were 16 weddings at St. Cross during the year, and a successful Michaelmas Fair in September.

Friends of St Cross Hospital

The Friends of St. Cross has about 800 individual members, a significant increase over the 720 at the end of 2021. They provide a wide range of educational and fund-raising activities both within and outside the premises of the Hospital.

During 2022 the Friends generously donated £15,000 to the Hospital as a contribution to the project to provide disabled access to the Brethren's Hall, work on which is expected to be undertaken during 2023.

Financial review

Financial activities

The Hospital barely broke even in 2022, with a surplus of £10,000 before investment losses (2021 surplus: £172,000).

This result was broadly in line with budget, albeit below the level required to enable the Hospital to sustain the programme of necessary repairs required to its heritage buildings in the medium to long term. A combination of general inflation and costly repairs have been the main contributors to this result, and 2023 is expected to show a further deterioration in financial performance as a result of higher utility costs.

As a result of these cost pressures, resources expended during the year increased by 22% to £920,000 (2021: £757,000); about half the increase was due to the repairs to let properties referred to above.

Balance Sheet

Net assets declined by 8% to £21.0 million (2021: £22.9 million), primarily as a result of a weaker performance by the Hospital's investment portfolio, managed by CCLA. The value of the portfolio fell by 12% to £14.3 million, as a result of underperformance in our equity, property and bond portfolios.

The high level of inflation and the risk of economic recession make the investment outlook for 2023 somewhat uncertain, aggravated by the continuing war in Ukraine.

The trustees monitor CCLA's performance regularly; over the past 3 and 5 years our CCLA portfolios have outperformed their benchmarks.

Cash at bank and in hand at 31 December 2022 was £245,000 (2021: £262,000).

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Resources and Reserves policy

Of the total funds at 31 December 2022 of £21.0 million, £18.0 million was permanent endowment and £504,000 restricted funds.

Unrestricted funds were £2.5 million of which £763,000 were designated funds. The balance relates to the General Fund which includes £391,000 of tangible fixed assets (mostly new visitor toilets and boilers over the last five years).

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).

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.

Financial outlook

The Hospital is budgeting to incur a deficit in 2023. Utility costs are expected to be twice as high as in 2022 as a result of the high wholesale gas prices at the time contracts were renewed in the second half of last year; general inflation has continued to put pressure on the Hospital's other costs. In addition a substantial programme of necessary repairs has been scheduled.

Refurbishment of Brothers' flats

Planning consent for this major project was received during 2022, and work on the refurbishment of the first of 5 staircases commenced in April 2023 and should be completed during the autumn.

The whole refurbishment project will extend over several years, firstly because of the logistical constraints of housing all the Brothers while the work takes place, and secondly because it is beyond the ability of the Hospital to fund the work solely from its own reserves. The latest estimate of the cost of the project is about £3.5 million.

During 2022 the Charity Commission approved the Trustees' request that up to £1 million of the Hospital's permanent endowment can be used towards funding some of the refurbishment work. Furthermore, the Trustees have decided that, in years when a surplus has been achieved, part of that surplus should be transferred to a newly established 'Refurbishment Reserve' within unrestricted funds to contribute further to the cost of the project. The near break-even financial result for 2022 means that it has not been possible to augment the £100,000 which was appropriated in 2021 to this reserve.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Hospital can afford to fund only part of the full cost of refurbishment from its own resources; the Trustees are therefore considering how best to raise the additional funds which will be required.

Landscape and Conservation

The Landscape and Conservation Masterplan for the garden, park and water meadows at St. Cross is still in the early stages of development; during 2022 discussions were held with an experienced planning consultant who focuses particularly on heritage and conservation, to enable the Trustees to gain an insight into the demands of the planning process. It is hoped that progress can be made in 2023 to get the plan to a stage where it can be approved by the Trustees. The removal of the ash and other diseased trees along the stream edge is now scheduled to take place in Autumn 2023 and it is hoped that there will be funding available to help with the costs of this as it will greatly enhance the conditions of the stream for the very rare Southern Damselfly.

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 also 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 Hundred Men's Hall.

Many of the areas of public benefit set out in the following paragraphs were curtailed or cancelled in 2020 and the first part of 2021 because of the COVID-19 restrictions; it has been pleasing to see most resumed during 2022.

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. The Hospital's new Master, the Reverend Dominik Chmielewski, is also rector of the Parish. The Parish 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 and was resumed in 2022, 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. During October 2022 the Brothers organised a series of successful lunchtime concerts ('Perfect Pitch') in the church; the programme resumed in April 2023, with a concert planned each week until October.

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 can be managed in conjunction with Hampshire and Isle of Wight Wildlife Trust (HIWWT). HIWWT conduct educational wildlife tours of the Water Meadows which are 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 2022

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. Since the pandemic there has been a substantial increase in the number of dog walkers using the land and St. Cross hosted a public presentation in conjunction with HIWWT in October 2022 to inform the public of the importance of keeping dogs on leads around livestock.

The presentation coincided with the end of HIWWT's ten year farm tenancy on the land at St. Cross, and enabled them to share their successes in improving the habitat and greatly increasing biodiversity in the park and meadows over the past decade. The new tenancy has been taken over by a neighbouring landowner who will continue to manage the land with careful grazing and to promote wildlife. We hope to be able to resurface a section of the footpath which becomes very muddy in the winter months and funding for this is currently being investigated.

Adjacent to the meadow, the Hospital lets its land to the local St. Cross Symondians Cricket Club where regular matches are held for both adult and youth cricket.

To keep itself current the Hospital is also now engaging more fully with social media outlets to provide interesting content and updates and it continues to improve its website. Following the public presentation in October 2022 a page was added to the website to provide a link to the details discussed at the event and give general information about the water meadows and the importance of dog management around livestock.

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 ('the Scheme'), 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, 20 March 2012 and 23 March 2022. The 2022 Resolution amended the Scheme to reflect the Charity Commission's consent to permit the Hospital to expend part of its permanent endowment.

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.

The Trustees' responsibilities for application of income are set out in the Scheme. The first such responsibility 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 of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 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 December 2022 the Reverend Terry Hemming retired as Master and was replaced by the Reverend Dominik Chmielewski, who is also the rector of the Parish of St. Faith's. The trustees are grateful for the outstanding role fulfilled by Terry Hemming during nearly 3 years in the role, particularly in steering the Hospital through the difficult period of the Covid pandemic.

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.

Organisational management

Under the Scheme, 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 supervision 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 vacancies are filled by suitable applicants.

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 had been established and met regularly online to review the latest guidance and information to enable it to take whatever action is necessary to keep the Brothers and staff safe. This committee was disbanded in March 2022 as, following the lifting of COVID restrictions, it was no longer required.

The Hospital of St Cross and Almshouse of Noble Poverty

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Maintenance of income streams is vital in order to continue to meet the Hospital's objects. Reserves are invested in a mix of stock market investment funds and investment properties to spread risk whilst producing a regular income stream. Trustees work with the Investment Managers and Property Advisers 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 also complies with the latest Health and Safety Management System backed by regular internal and external audits.

The easing of COVID restrictions has facilitated a return to work on the list of building improvements which will further improve the accessibility and safe enjoyment of the Hospital site.

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 Statement of Recommended Practice;
- 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. Legislation 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 Scheme. 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 20 June 2023 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 2022

Opinion

We have audited the financial statements of The Hospital of St Cross and Almshouse Poverty ('the charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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 2022 and of its 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 trustee's 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 2022

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 of the Charities Act 2011, and report in accordance with the Acts 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 2022

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 for the UK operations were Charities Act 2011, The Charities (Accounts and Reports) Regulations 2008, The Charities SORP (FRS102) and Financial Reporting Standard 102.

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 timing of recognition of specific income streams and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing relevant income with agreement to supporting documentation, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission 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 UK LLP

Crowe U.K. LLP
Statutory Auditor

Thames Valley

11 July 2023

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 2022

	Note	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations, grants and legacies	2	-	1,361	51,126	52,487	92,197
Fundraising activities	3	-	-	28,289	28,289	24,834
Investment income	4	-	2,882	567,142	570,024	560,995
Charitable activities	5	-	-	279,077	279,077	251,408
Total income		-	4,243	925,634	929,877	929,434
Expenditure on:						
<i>Raising funds:</i>						
Costs of generating voluntary income	6	-	-	15,371	15,371	8,889
Investment management costs	7	-	-	129,020	129,020	50,352
Charitable activities	8	-	10,887	764,850	775,737	697,737
Total expenditure		-	10,887	909,241	920,128	756,978
Net incoming (outgoing) resources before investment gains		-	(6,644)	16,393	9,749	172,456
Net gains (losses) on investments	14	(1,546,793)	(49,614)	(257,248)	(1,853,655)	2,155,214
Net income before transfers		(1,546,793)	(56,258)	(240,855)	(1,843,906)	2,327,670
Transfers between funds	15	-	1,625	(1,625)	-	-
Net movement in funds		(1,546,793)	(54,633)	(242,480)	(1,843,906)	2,327,670
Reconciliation of funds:						
Total funds at 1 January 2022		19,589,685	558,142	2,735,431	22,883,258	20,555,588
Total funds at 31 December 2022		18,042,892	503,509	2,492,951	21,039,352	22,883,258

The Hospital of St Cross and Almshouse of Noble Poverty

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	16		391,233		427,314
Investment Properties	17		6,186,000		6,116,000
Investments	18		14,258,576		16,180,606
			20,835,809		22,723,920
Current assets					
Stocks	19	8,825		11,145	
Debtors	20	17,435		13,757	
Cash at bank and in hand	26	245,405		261,564	
		271,665		286,466	
Creditors: amounts falling due within one year	21	(68,122)		(127,128)	
Net current (liabilities)/assets			203,543		159,338
Net assets			21,039,352		22,883,258
Charity funds					
Permanent funds	22		18,042,892		19,589,685
Restricted funds	23		503,509		558,142
Unrestricted funds	24		2,492,951		2,735,431
Total funds			21,039,352		22,883,258

The financial statements were approved by the Trustees at their meeting on 20 June 2023 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net income (outgoings) for the year (from Statement of Financial Activities)		9,749	172,456
Adjustment for:			
Dividends, interest and rents from investments		(570,024)	(560,995)
Decrease/(Increase) in stock		2,320	(11,145)
Decrease/(Increase) in debtors		(3,678)	(4,253)
(Decrease)/Increase in creditors		(59,006)	4,029
Depreciation of tangible fixed assets		36,081	35,306
Net cash provided by operating activities		(584,558)	(364,602)
Cash flows from investing activities			
Purchase of fixed asset investments		(1,625)	(11,933)
Transfers to cash from investments		-	837
Purchase of tangible fixed assets		-	(11,615)
Disposal of tangible fixed assets		-	-
Dividends, interest and rents receivable		570,024	560,995
Net cash used in investing activities		568,399	538,284
Change in cash and cash equivalents in the year	26	(16,159)	173,682
Cash and cash equivalents brought forward		261,564	87,882
Cash and cash equivalents carried forward		245,405	261,564

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 2022

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 are valued at the lower of the cost and net realisable value after making due allowance for slow-moving items.

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 2022

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 2022

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 scheme within the Church Workers Pension Fund (CWPF).

Eligible employees who joined the Hospital up to May 2021 were entitled to become members of the Pension Builder Classic section of the scheme; this is a deferred annuity scheme, which is a defined benefit scheme.

Since June 2021 new employees have been entitled to become members of the scheme's Pension Builder 14 section; this is a cash balance scheme and is also classed as a defined benefit scheme; it is similar to a defined contribution scheme but with a guarantee that the retirement cash sum will not usually decrease.

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 22 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.

Prior to 2022 the Hospital had three funds set up under Recoupment Orders issued by the Charity Commission to restore permanent endowment capital expended on major projects. During 2022 the Trustees, with the permission of the Charity Commission, approved an Order allowing the balance on the recoupment funds to be administered as part of the Hospital's permanent endowment; they therefore no longer require to be accounted for separately.

Restricted funds are funds subject to specific conditions within the objects of the Hospital and are set out in note 23 to the financial statements.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Accounting Policies and Key Judgements

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) Refurbishment Reserve - designated by the Trustees for contributing to the cost of the refurbishment project of the Brothers' flats.
- (iv) 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.

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 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	1,361	18,376	19,737	8,007
Grants	-	-	32,750	32,750	84,190
Legacies	-	-	-	-	-
	-	1,361	51,126	52,487	92,197

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

3. Income from fundraising activities

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Events	-	-	4,631	4,631	3,069
Shop sales	-	-	13,240	13,240	13,187
Tearoom sales	-	-	10,418	10,418	8,578
	-	-	28,289	28,289	24,834

4. Investment income

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rent receivable	-	-	132,593	132,593	135,513
Investment income	-	2,882	434,549	437,431	425,482
	-	2,882	567,142	570,024	560,995

5. Income from charitable activities

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Recoveries from Brothers	-	-	170,510	170,510	155,164
Primary purpose trade	-	-	69,672	69,672	50,856
Ancillary trade	-	-	38,895	38,895	45,388
	-	-	279,077	279,077	251,408

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Costs of generating voluntary income

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Expenses of public visiting	-	-	3,825	3,825	3,664
Costs of goods sold	-	-	11,546	11,546	5,225
	-	-	15,371	15,371	8,889

7. Investment management costs

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment property repairs	-	-	97,800	97,800	17,545
Investment property management fees	-	-	21,177	21,177	23,308
Support costs (note 11)	-	-	10,043	10,043	9,499
	-	-	129,020	129,020	50,352

8. Analysis of expenditure on charitable activities

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Upkeep of historic buildings	-	7,143	336,988	344,131	307,663
Brothers' welfare	-	3,744	224,304	228,048	204,033
Public visiting and advertising expenses	-	-	61,319	61,319	55,626
Volunteer expenses	-	-	-	-	-
Costs of goods sold	-	-	13,530	13,530	9,104
Professional fees	-	-	600	600	-
Bad Debts	-	-	9,750	9,750	15,600
Depreciation	-	-	36,081	36,081	35,306
Governance costs (note 10)	-	-	82,278	82,278	70,405
	-	10,887	764,850	775,737	697,737

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

9. Analysis of expenditure on charitable activities by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Upkeep of historic buildings	322,730	21,401	344,131	307,663
Brothers' welfare	192,298	35,750	228,048	204,033
Public visiting and advertising expenses	27,703	33,616	61,319	55,626
Volunteer expenses	-	-	-	-
Costs of goods sold	13,530	-	13,530	9,104
Professional fees	600	-	600	-
Bad Debts	9,750	-	9,750	15,600
Depreciation	36,081	-	36,081	35,306
Governance costs (note 10)	19,899	62,379	82,278	70,405
	622,591	153,146	775,737	697,737

10. Governance costs

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Audit fees	-	12,852	12,852	11,740
Other professional fees	-	7,047	7,047	3,618
Support costs (note 11)	-	62,379	62,379	55,047
	-	82,278	82,278	70,405

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. Allocation of support costs and overheads

	Investment property management (Note 7) £	Charitable activities (Note 9) £	Governance (Note 10) £	Total £
2022				
Clerical Salaries	10,043	76,024	52,550	138,617
Office costs	-	14,744	9,829	24,573
	10,043	90,768	62,379	163,190
2021				
Clerical Salaries	9,499	69,559	49,075	128,133
Office costs	-	8,961	5,972	14,933
	9,499	78,520	55,047	143,066

12. Staff costs

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	304,822	284,559
Social security costs	25,319	22,043
Pension costs	16,277	24,643
	346,418	331,245

The average number of employees during the year was 19 (2021: 19). The full time equivalent of these was 11 (2021: 11).

No employee received emoluments of more than £60,000 (2021: nil).

Pension costs in the year were £16,277 (2021: £24,643). The costs in 2021 were augmented by a one-off payment of £10,647 to correct a shortfall in employer's contributions in previous years.

Redundancy and termination payments are accounted for in the period in which an obligation occurs. During the current financial year, redundancy and termination payments amounted to £4,667 (2021: nil). These costs were charged to unrestricted funds.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 (PB 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 Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 (PB14) is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared, is payable, unreduced, from age 65.

There is no sub-division of assets between employers in either 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 (2022: £16,277, 2021: £24,643). Contributions outstanding at the year-end were £166 (2021: £10,797).

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 next valuation is due as at 31 December 2022, but is not expected to be finalised until early 2024.

For the PB Classic section, the valuation revealed a deficit of £4.8m 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 to grant a discretionary bonus of 3% following improvements in the funding position over 2021. There is currently no requirement for deficit payments to be made.

For the PB14 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. 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 2022

14. Net gains on investment assets

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Unrealised gains/(losses) on revaluation of investment properties	70,000	-	-	70,000	295,000
Realised gains/(losses) on investments	-	-	-	-	-
Unrealised gains/(losses) on investments	(1,616,793)	(49,614)	(257,248)	(1,923,655)	1,860,214
	(1,546,793)	(49,614)	(257,248)	(1,853,655)	2,155,214

15. Gross transfers between funds

	Restricted funds £	Unrestricted funds £
Appropriations to restricted funds	1,625	(1,625)
	1,625	(1,625)

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 2022

16. Tangible fixed assets

	Fixtures, fittings & plant £	Total £
Cost or valuation		
At 1 January 2022	541,213	541,213
Additions	-	-
On revaluations	-	-
At 31 December 2022	541,213	541,213
Depreciation		
At 1 January 2022	113,899	113,899
Charge for the year	36,081	36,081
At 31 December 2022	149,980	149,980
Net book value		
At 31 December 2022	391,233	391,233
At 31 December 2021	427,314	427,314

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Fixed asset investment properties

	Investment properties <i>Hospital</i> £	Investment properties <i>Noble Poverty</i> £	Total £
Cost or valuation			
At 1 January 2022	5,136,000	980,000	6,116,000
Additions	-	-	-
Disposals	-	-	-
On revaluations	70,000	-	70,000
At 31 December 2022	5,206,000	980,000	6,186,000
Net book value			
At 31 December 2022	5,206,000	980,000	6,186,000
At 31 December 2021	5,136,000	980,000	6,116,000

Investment properties

The investment properties were professionally revalued as at 31 December 2018 at open market value and the values were reviewed and adjusted as at 31 December 2022 in line with indexed growth in the residential property market.

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 2022

18. Fixed asset investments

	Permanent funds £	Restricted funds £	Unrestricted funds £	Total funds £
CCLA Funds at market value				
At 1 January 2022	13,473,685	530,974	2,175,947	16,180,606
Recoupments	-	1,625	-	1,625
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers Between Funds	-	-	-	-
Transfers to Cash	-	-	-	-
Change in market value	(1,616,793)	(49,614)	(257,248)	(1,923,655)
At 31 December 2022	11,856,892	482,985	1,918,699	14,258,576

19. Stocks

	2022 £	2021 £
Goods for resale	8,825	11,145
	8,825	11,145

20. Debtors

	2022 £	2021
Trade debtors	11,683	8,520
Other debtors	1,201	3,178
Prepayments and accrued income	4,551	2,059
	17,435	13,757

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Creditors

	2022 £	2021 £
Trade creditors	34,263	54,220
Taxation and social security	8,710	5,163
Other creditors	590	1,402
Accruals and deferred income	24,559	66,343
	<hr/>	<hr/>
	68,122	127,128
	<hr/>	<hr/>

Deferred income relates to deposits paid for future events/weddings; the balance held at the end of the year was £4,528 (2021: £5,294).

22. Permanent endowment funds

	At 1 Jan 2022 £	Movement for the year £	At 31 Dec 2022 £
Hospital of St Cross Foundation	17,627,805	(1,212,840)	16,414,965
Almshouse of Noble Poverty Foundation	1,580,146	47,781	1,627,927
	<hr/>	<hr/>	<hr/>
	19,207,951	(1,165,059)	18,042,892
	<hr/>	<hr/>	<hr/>
91, 93, 95 St Cross Road recoupment fund	132,958	(132,958)	-
Porter's Lodge recoupment fund	71,247	(71,247)	-
Brothers' flats recoupment fund	177,529	(177,529)	-
	<hr/>	<hr/>	<hr/>
	381,734	(381,734)	-
	<hr/>	<hr/>	<hr/>
	19,589,685	(1,546,793)	18,042,892
	<hr/>	<hr/>	<hr/>

During 2022 the Trustees, with the permission of the Charity Commission, approved an Order allowing the balance on the recoupment funds to be administered as part of the Hospital's permanent endowment; they therefore no longer require to be accounted for separately.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Restricted funds

	At 1 Jan 2022 £	Movement for the year £	At 31 Dec 2022 £
Extraordinary repair funds (a)	469,749	(40,699)	429,050
John Hatton fund (b)	76,955	(6,045)	70,910
Brothers' welfare fund (c)	4,295	(746)	3,549
Friends of St Cross grant fund	7,143	(7,143)	-
	558,142	(54,633)	503,509

- 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 £1,176 were received in the year and £1,922 disbursed.

24. Unrestricted funds

	At 1 Jan 2022 £	Movement for the year £	At 31 Dec 2022 £
Designated funds:			
Commander J S Baker Bequest	561,194	(65,223)	495,971
Miss G M Bauer Bequest	194,449	(27,579)	166,870
Refurbishment Reserve	100,000	-	100,000
	855,643	(92,802)	762,841
General fund	1,879,788	(149,678)	1,730,110
	2,735,431	(242,480)	2,492,951

The Refurbishment Reserve comprises amounts appropriated from the General Fund towards the cost of refurbishing the Brothers' flats.

The Hospital of St Cross and Almshouse of Noble Poverty

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

25. Analysis of net assets between funds

	Permanent funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Tangible fixed assets	-	-	391,233	391,233	427,314
Fixed asset investment properties	6,186,000	-	-	6,186,000	6,116,000
Fixed asset investments	11,856,892	482,985	1,918,699	14,258,576	16,180,606
Current assets	-	20,524	251,141	271,665	286,466
Creditors due within one year	-	-	(68,122)	(68,122)	(127,128)
	18,042,892	503,509	2,492,951	21,039,352	22,883,258

Analysis of net assets between funds (prior year comparative)

	Permanent funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Tangible fixed assets	-	-	427,314	427,314	451,005
Fixed asset investment properties	6,116,000	-	-	6,116,000	5,821,000
Fixed asset investments	13,473,685	530,974	2,175,947	16,180,606	14,309,296
Current assets	-	27,168	259,298	286,466	97,386
Creditors due within one year	-	-	(127,128)	(127,128)	(123,099)
	19,589,685	558,142	2,735,431	22,883,258	20,555,588

26. Analysis of changes in net cash

	At 1 Jan 2022 £	Cash flow £	At 31 Dec 2022 £
Cash at bank and in hand	234,342	(19,151)	215,191
Cash held with investment manager	27,222	2,992	30,214
Net Cash	261,564	(16,159)	245,405

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27. Financial instruments

	2022 £	2021 £
Basic financial assets	14,525,690	16,465,013
Basic financial liabilities	(59,412)	(121,965)

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:-

	2022 £	2021 £
Total dividend and interest income for basic financial assets	437,431	425,482
Total (losses)/gains in respect of basic financial assets	(1,923,655)	1,860,214

28. Financial Commitments

Non-cancellable operating lease rentals receivable

	2022 £	2021 £
Less than one year	62,380	34,489
After one year and less than five years	38,480	563
After five years	5,585	-
	106,445	35,052

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.

29. Commitments and contingencies

There were no material commitments at 31 December 2022 or 31 December 2021.

There were no contingent liabilities at 31 December 2022 or 31 December 2021.

The Hospital of St Cross and Almshouse of Noble Poverty

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FOR THE YEAR ENDED 31 DECEMBER 2022

30. Related party transactions and Trustees' expenses and remuneration

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

Mrs Felicity Pennycook and Mr Jonathan Cooke are also Trustees of the Friends of St Cross Hospital Winchester. The Friends made a grant of £15,000 (2021: £17,000) to the Hospital during the year.

Key management personnel received total remuneration of £nil during the year (2021: £nil).

During the year, total donations by the trustees to the charity amounted to £nil (2021: £nil).

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

31. Additional prior year comparatives – statement of financial activities

	Note	Permanent funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations, grants and legacies	2	-	19,021	73,176	92,197	53,329
Fundraising activities	3	-	-	24,834	24,834	6,701
Investment income	4	-	2,661	558,334	560,995	426,776
Charitable activities	5	-	-	251,408	251,408	171,232
Total income		-	21,682	907,752	929,434	658,038
Expenditure on:						
<i>Raising funds:</i>						
Costs of generating voluntary income	6	-	-	8,889	8,889	6,001
Investment management costs	7	8,435	-	41,917	50,352	45,485
Charitable activities	8	-	28,013	669,724	697,737	685,901
Total expenditure		8,435	28,013	720,530	756,978	737,387
Net incoming (outgoing) resources before investment gains		(8,435)	(6,331)	187,222	172,456	(79,349)
Net gains (losses) on investments	14	1,806,344	77,041	271,829	2,155,214	653,320
Net income before transfers		1,797,909	70,710	459,051	2,327,670	573,971
Transfers between funds	15	10,308	1,625	(11,933)	-	-
Net movement in funds		1,808,217	72,335	447,118	2,327,670	573,971
Reconciliation of funds:						
Total funds at 1 January 2021		17,781,468	485,807	2,288,313	20,555,588	19,981,617
Total funds at 31 December 2021		19,589,685	558,142	2,735,431	22,883,258	20,555,588