

ST NICHOLAS' HOSPITAL

REPORT OF THE TRUSTEES
AND
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

Page

1.	Trustees, Officers and Advisers
2. - 3.	Trustees' Report
4.	Report of the Independent Examiner
5.	Statement of Financial Activities
6.	Balance Sheet
7. - 15.	Notes to the Accounts
	<i>For management information only</i>
16.	Detailed Income and Expenditure Account

FLETCHER & PARTNERS
CHARTERED ACCOUNTANTS
SALISBURY

ST NICHOLAS' HOSPITAL
TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 1

The Trustees present their annual report and accounts for the charity for the year ended 31 December 2022. The accounts have been prepared in accordance with the accounting policies set out on pages 7 to 9 and comply with the Charity's schemes and applicable law.

TRUSTEES:	EX OFFICIO		
	By the Bishop	The Master: The Ven C J Baston	(appointed 04.05.21)
	NOMINATED		
	By the Bishop	Mr D A Bartlett	(re-appointed 08.05.19) Chairman from 28.01.16
	By the Master	Mrs R A P Stiven	(re-appointed 28.01.19)
	CO-OPTATIVE	Canon D K Callard	(re-appointed 25.06.19)
		Mrs S J Beswick	(re-appointed 28.10.21) (resigned 23.07.22)
		Mrs E F Hopkinson	(appointed 26.1.23)
		Mrs C E Romano	(re-appointed 28.10.21)
		Mr R D Trahair	(re-appointed 04.07.18)

PRINCIPAL OFFICER: Mr C L Gutteridge, Clerk to the Trustees (appointed 01.03.20)

CHARITY ADDRESS: The Clerk's Office, St Nicholas' Hospital, St Nicholas Road, Salisbury, Wiltshire SP1 2SW

ADVISERS:	Bankers	- CAF Bank cafbank@cafonline.org
		- National Westminster Bank Plc 48 Blue Boar Row, Salisbury SP1 1DF
		- CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET
	Solicitors	- Parker Bullen 45 Castle Street, Salisbury SP1 3SS
	Independent Examiners	- Mrs N A Halls FCA, Fletcher & Partners Crown Chambers, Bridge Street, Salisbury SP1 2LZ
	Surveyors	- Symonds & Sampson 89 Crane Street, Salisbury, SP1 2PU
		- The Diocesan Surveyor Church House, Salisbury SP1 2QB
	Investment Managers	- CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET
	Custodian Trustee	- The Official Custodian for Charities

REGISTERED CHARITY NUMBER: 214916 in England and Wales

TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2022**LEGAL STATUS**

The Hospital is a registered charity number 214916. It was refounded by letters patent of the 3 April 1608 James I, and its governing document is the Hospital of St Nicholas (Salisbury) Charity Scheme Confirmation Act 1959, the Charity Commission Scheme dated 7 March 1961 as amended on 15 January 2009 and the Charity Commission Scheme dated 26 April 2016 as amended on 31 January 2019 and 21 January 2021.

OBJECTS

The objects of the charity were updated in April 2016, and are now:

- (a) the relief of poverty by the provision of accommodation for persons of good character who are in need of assistance;
- (b) such charitable purposes for the benefit of residents and former residents as the trustees decide, including the provision of financial assistance to former residents who are in need.

POLICIES

During the year the Hospital provided 24 units of accommodation to residents. The residents contribute a set monthly sum towards the maintenance of the Hospital. Other land and buildings are let to provide additional income for the Charity. Other endowments are invested to provide income to cover the running and management costs of the Charity. Surplus income may be applied for the benefit of the residents.

In 1993 and 1994 the Trustees used part of the endowment capital to build a new annexe to the Hospital to provide 6 additional units of accommodation. The Trustees are bound by the Trustee Act 2000.

During the year the trustees reviewed their policies and procedures.

RESERVES POLICY

The Trustees of the Charity are able to use the surplus accumulated income over expenditure on future projects, to improve the facilities and the operation of the Hospital. The Trustees consider that a minimum of £150,000 should be kept in reserve to cover unforeseen costs. At the year end the reserves were £127,693.

RISK MANAGEMENT

The Trustees have reviewed the major risks to which the Charity is exposed and ensured that systems are in place to mitigate exposure to the risks identified. The principal risks lie in the performance of investments and operational risks from owning property. Variability of investment returns on the permanent endowment constitute the charity's major financial risk, and this is mitigated by retaining expert investment managers and having a diversified investment portfolio.

ORGANISATION

The Charity is managed by between five and seven Trustees who meet not less than four times a year. In January 2023 the Trustees passed a resolution to enable an eighth Trustee to be appointed. The Trustees appoint a Clerk to act on their behalf. The day to day administration of the Charity is dealt with by the Master and the Clerk, as appropriate, on behalf of the Trustees. The nominated Trustees were originally appointed for terms of three years and Co-optative Trustees appointed by resolution of the Trustees for terms of five years. To simplify the Charity's administration, the Charity Commission agreed during 2019 that all Trustees' terms of appointment could be five years. New trustees are inducted and trained by the Master, the Chairman and the Clerk. New trustees are recruited and appointed after receiving a personal recommendation from the existing trustee body. The Charity's land and buildings are held in trust by The Official Custodian for Charities.

TRUSTEES' RESPONSIBILITIES FOR THE PREPARATION OF ACCOUNTS

The Trustees are responsible for preparing the Annual Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Under the law applicable to charities, the trustees have elected to prepare accruals accounts which must show a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 assume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2022****INVESTMENT POLICY**

In accordance with the Trustee Act 2000 which came into force on 1 February 2001, the Trustees have the power to invest any sums of cash not required for immediate working purposes. The investment objective of the Trustees is that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio of charitable investment funds and freehold property. Investment income is required to help meet the costs of the Charity. The investments are reviewed regularly by the Trustees.

PUBLIC BENEFIT

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The charity meets its public benefit remit by providing subsidised housing for needy people.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The Hospital has had a good Pastoral year.

Flat Vacancies. Two vacancies occurred during the year, one through death, the other as a result of infirmity which meant that the resident was no longer able to live independently. Both flats were cleared with the help of the Community and the relatives, and work undertaken to upgrade the flats. The vacancies were filled in 2022, with the new residents due to arrive in the early part of 2023. The application process has been updated with a more detailed financial statement requested in order that the Trustees are fully apprised of an applicant's financial position before any potential interview. Prospective residents are encouraged to make an informal visit to the Hospital before making a formal application.

COVID. The Hospital continued to operate under the COVID guidelines as published by the Church of England and HM Government, until the restrictions were lifted. At that stage the regular worship services were resumed in the Chapel, but the Common Cup was not reinstated until January 2023. Anyone with suspected symptoms of COVID underwent a lateral flow test, if positive they isolated from the rest of the Community until a negative test result. There were a total of 7 COVID cases amongst residents, all mild, 4 caught it from Cathedral activities, one at a family wedding and 2 from helping to test residents.

Social. Social events resumed in the second half of the year with a Platinum Jubilee Tea Party, a Harvest lunch and St Nicholas Day celebrations.

In Finance and Facilities Management terms there have been significant successes:

Finance. All the flats have been occupied for most of this year and there have been 2 short-term void flats, one with no income for 4 months and one not occupied at the year end but paid for by the resident whilst in a care home. The CCLA dividends have held up well and the Income level has been reliable this year. On Expenditure there has been a reasonable spend on Flat refurbishments this year; there has also been little spend on the Let Properties this year. The major finance issue this year has been the huge rise in the cost of gas when we transitioned from Total Gas and Power to Crown Gas and despite much higher charges, government subsidies have not been forthcoming. Electricity Costs were fixed this year.

Facilities Management. The new Annual Visits by the Master and Clerk to all residents' flats produced a number of issues which have now been resolved. We have also rebuilt a number of showers in various flats to a newer and high standard; this is a new standard which will be rolled out to all flats when they become vacant. There have been some other buildings works (for example Pelly Balconies) resulting from its Quinquennial Review H&S recommendations which were not anticipated in the budget.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The Charity's total income for the year was £237,978 including investment income of £110,492 dividends plus £22,217 from let properties. The expenditure for the year was £272,605 of which £264,259 was on direct charitable activities. The net outgoing resources for the year were £34,627 before revaluation of investments (held in the COIF Income Fund) and investment properties. The COIF income Fund investments are held to provide a long-term total return comprising growth in capital and distributions, suitable for a charity's long-term funds, and providing a good level of distributions and long-term protection from inflation. The fund follows an ethical investment policy. Investments worth £10,000 were sold from the Extraordinary Repair Fund (ERF) to assist with repairs costs, and a further £19,518 of investments were transferred from the ERF to fund the Recoupment payments required for 2021 and 2022. This created a realised loss of £2,825.

The value of the charity's investments decreased by £483,831 (2021: increased by £523,996). The COIF Investment Fund reported a total return, including income, of -9% over the year, compared to its benchmark comparator return of -10.10%.

The Charity's investment properties were subject to a five yearly professional revaluation which generated unrealised revaluation gains of £1,350,000.

Over the year, therefore, the Charity's resources increased by a total of £ 828,717.

Depreciation of £14,782 was charged on the almshouse properties as required by the accounting policy, and allocated to the fund which provided the finance for the relevant property.

The twenty-third and twenty-fourth recoupment payments of £10,000 each, due under the 1993 recoupment scheme, were made in 2022 and invested in COIF Investment Fund units.

The Charity had net assets of £6,317,122 at the end of the year, including investments worth £3,691,838 and investment properties worth £2,225,000 but excluding the original cost of the Hospital. The buildings used by the charity are insured for approximately £10.7 million. The Charity's unrestricted reserves at the year end were a total of £148,919 of which £21,226 is represented by land and buildings and fixed assets, leaving free reserves of £127,693.

The format of the accounts complies with the charity's governing documents, the Charities Act 2011 and the Charities SORP (FRS 102). Following the Charity's deregistration from the Housing Corporation in November 1998 the accounts no longer have to comply with the Housing Act 1996.

The Trustees consider the financial position of the Charity to be satisfactory, and the assets of each fund to be adequate to fulfil the obligations of the Charity.

Approved by the Trustees on 27 July 2023 and signed on their behalf by:

.....
Mr D A Bartlett, Trustee and Chairman

I report to the trustees on my examination of the accounts of St Nicholas' Hospital (the charity) for the year ended 31 December 2022, which are set out on pages 5 to 15.

Responsibilities and basis of the report

As the charity's trustees of the Hospital you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

I report in respect of my examination of the Trustees' accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Nicola A Halls

Mrs N A Halls FCA
Chartered Accountant

Fletcher & Partners
Crown Chambers

Bridge Street
Salisbury
SP1 2LZ

Date: 31 August 2023

ST NICHOLAS' HOSPITAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Recoupment & Endowment Funds</u>	<u>Total 2022</u>	<u>Total 2021</u>
INCOME FROM:						
Donations and legacies	2	2,780	6,488	-	9,268	5,863
Investments	3	132,709	-	-	132,709	129,836
Charitable activities						
Provision of accommodation		95,466	-	-	95,466	88,115
Other	4	535	-	-	535	963
TOTAL INCOME		<u>231,490</u>	<u>6,488</u>	<u>-</u>	<u>237,978</u>	<u>224,777</u>
EXPENDITURE ON:						
Raising funds						
Repairs and maintenance of let properties	7	2,576	-	-	2,576	18,023
Charitable activities						
Donations to charities	8	-	5,770	-	5,770	5,861
Provision of accommodation	8	250,858	-	13,401	264,259	266,141
TOTAL EXPENDITURE		<u>253,434</u>	<u>5,770</u>	<u>13,401</u>	<u>272,605</u>	<u>290,025</u>
Excess expenditure over income		(21,944)	718	(13,401)	(34,627)	(65,248)
NET GAINS/(LOSSES) ON INVESTMENTS						
Realised gains/(losses) on investment assets		(2,825)	-	-	(2,825)	4,104
Unrealised gains on investment properties	10a	-	-	1,350,000	1,350,000	-
Unrealised gains/(losses) on investments	10b	(14,143)	-	(469,688)	(483,831)	523,996
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		<u>(38,912)</u>	<u>718</u>	<u>866,911</u>	<u>828,717</u>	<u>462,852</u>
TRANSFERS BETWEEN FUNDS	16	(20,000)	-	20,000	-	-
NET INCOME/(EXPENDITURE) BEFORE RECOGNISED GAINS AND LOSSES		<u>(58,912)</u>	<u>718</u>	<u>886,911</u>	<u>828,717</u>	<u>462,852</u>
OTHER RECOGNISED GAINS AND LOSSES		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>(58,912)</u>	<u>718</u>	<u>886,911</u>	<u>828,717</u>	<u>462,852</u>
TOTAL FUNDS BROUGHT FORWARD		<u>207,831</u>	<u>77,832</u>	<u>5,202,742</u>	<u>5,488,405</u>	<u>5,025,553</u>
TOTAL FUNDS CARRIED FORWARD	17	<u>£148,919</u>	<u>£78,550</u>	<u>£6,089,653</u>	<u>£6,317,122</u>	<u>£5,488,405</u>

The notes on pages 7 to 15 form part of these accounts

ST NICHOLAS' HOSPITAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

FOR THE YEAR ENDED 31 DECEMBER 2022					
	Note	Unrestricted Funds	Restricted Funds	Comparative figures only Recoupment & Endowment Funds	Total 2021
INCOME FROM:					
Donations and legacies	2	-	5,863	-	5,863
Investments	3	129,836	-	-	129,836
Charitable activities					
Provision of accommodation		88,115	-	-	88,115
Other	4	963	-	-	963
TOTAL INCOME		218,914	5,863	-	224,777
EXPENDITURE ON:					
Raising funds					
Repairs and maintenance of let properties	7	18,023	-	-	18,023
Charitable activities					
Donations to charities	8	-	5,861	-	5,861
Provision of accommodation	8	252,740	-	13,401	266,141
TOTAL EXPENDITURE		270,763	5,861	13,401	290,025
Excess expenditure over income		(51,849)	2	(13,401)	(65,248)
NET GAINS/(LOSSES) ON INVESTMENTS					
Realised gains/(losses) on investment assets		-	-	4,104	4,104
Unrealised gains on investment property	10a	-	-	-	-
Unrealised gains/(losses) on investment assets	10b	19,204	-	504,792	523,996
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(32,645)	2	495,495	462,852
TRANSFERS BETWEEN FUNDS	16	-	-	-	-
NET INCOME/(EXPENDITURE) BEFORE RECOGNISED GAINS AND LOSSES		(32,645)	2	495,495	462,852
OTHER RECOGNISED GAINS AND LOSSES		-	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR		(32,645)	2	495,495	462,852
TOTAL FUNDS BROUGHT FORWARD		240,476	77,830	4,707,247	5,025,553
TOTAL FUNDS CARRIED FORWARD	17	£207,831	£77,832	£5,202,742	£5,488,405

BALANCE SHEET AS AT 31 DECEMBER 2022

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
FIXED ASSETS			
Tangible Assets			
Housing land and buildings	9a	375,563	390,345
Other tangible assets	9b	<u>3,816</u>	<u>4,632</u>
		379,379	394,977
Investments			
Investment properties	10a	2,225,000	875,000
Common Investment Funds	10b	<u>3,691,838</u>	<u>4,188,012</u>
		<u>5,916,838</u>	<u>5,063,012</u>
TOTAL FIXED ASSETS		<u>6,296,217</u>	<u>5,457,989</u>
CURRENT ASSETS			
Debtors	11	13,697	8,738
Cash at bank and in hand	12	<u>43,070</u>	<u>63,831</u>
TOTAL CURRENT ASSETS		<u>56,767</u>	<u>72,569</u>
LIABILITIES			
Creditors - Amounts falling due within one year			
	13	<u>(35,862)</u>	<u>(42,153)</u>
NET CURRENT ASSETS		<u>20,905</u>	<u>30,416</u>
TOTAL NET ASSETS	17	<u><u>£6,317,122</u></u>	<u><u>£5,488,405</u></u>
FUNDS OF THE CHARITY			
CAPITAL AND RESERVES			
ENDOWMENT FUNDS	14	6,089,653	5,202,742
RESTRICTED INCOME FUNDS	15	78,550	77,832
UNRESTRICTED INCOME FUNDS	16	<u>148,919</u>	<u>207,831</u>
		<u><u>£6,317,122</u></u>	<u><u>£5,488,405</u></u>

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These financial statements were approved by the Trustees on 27 July 2023 and signed on their behalf by:

Trustee and Chairman
D A Bartlett

Trustee
R D Trahair

The notes on pages 7 to 15 form part of these accounts

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements of the Charity are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

Preparation of the accounts on a going concern basis

The trustees have reviewed the anticipated performance for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the charity's ability to meet its liabilities as they fall due, and continue as a going concern. On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis. The income of the charity has not been adversely affected by Covid-19 issues in 2022.

Key judgements and uncertainties

The most significant areas of judgement and key assumptions that affect items in the accounts are to do with rates of depreciation and a decision not to apply component accounting for replacement of fixed assets within the Hospital and its housing properties. With respect to the next reporting period, the year ended 31 December 2023, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets, occupancy rates and property repairs.

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

b) Fund accounting

General Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objects of the Charity and which have not been designated for other purposes.

Designated Funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

Transfers between funds are made in accordance with the requirements of the Charity Commission Schemes. The Permanent Endowment Fund represents those assets which must be held permanently by the Charity. Income arising on the Endowment Fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any realised or unrealised capital gains or losses arising on the investments form part of the fund.

c) Income

All income is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount receivable can be measured reliably. Where income has related expenditure these items are reported gross in the SOFA. Legacies are recognised as income when they are notified to the Charity and can be quantified with reasonable accuracy.

Income from the provision of accommodation represents the residents' maintenance contributions receivable for the year, less voids.

Investment income is included in the accounts when it becomes due and payable. Rental income for let properties represents the rentals receivable for the year from land and investment properties.

Income from endowed investments is unrestricted. Interest on the Chapel Fund bank accounts is restricted.

d) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes those costs associated with the generation of income from the Charity's various investments. Expenditure on charitable activities are those costs associated with the objects of the Charity and therefore include the costs necessary to maintain the Hospital for the residents as well as support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include some office costs and a proportion of salaries. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements. They include costs of preparation and examination of statutory accounts, the costs of trustee meetings and any legal advice to trustees on governance matters.

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Salaries and pension costs of the Master and the Clerk are apportioned 50:50

e) Cyclical Repairs and Maintenance

St Nicholas' Hospital has a regular programme of cyclical repairs and maintenance. Costs are charged to the SOFA in the year in which they are incurred.

f) Extraordinary Repairs

Costs of Extraordinary Repairs, unless representing improvements to the properties, are charged to the SOFA in the year in which they are incurred.

g) Housing Properties and Depreciation

St Nicholas' Hospital was constructed in the 13th century. There is no record of the original cost or development before 1964 so a nil value has been capitalised. The original buildings are historic and form part of the endowment which means that they cannot be sold. The users of the accounts are principally the Trustees who consider the cost of carrying out a professional valuation to include these assets at a value in the accounts to be considerable compared to the limited additional benefit derived by the users of the accounts. The cost of the developments since 1964 have been capitalised and depreciated since 2000 on a straight line basis over their remaining useful economic lives (assumed to be 50 years) as follows:

Pelly House (1966)	16 years
McInnes House (1979)	29 years
Flat conversion (1983)	33 years
Garden House (1994)	44 years

The developments have been funded partly by Housing Corporation Grants and partly from the Charity's own resources.

h) Housing Association Grant

Housing Association Grant (HAG) was paid by the Housing Corporation to reduce the cost of a development and is no longer set off against the cost of the asset. Instead such grants are recognised as income when receivable and credited to restricted reserves. HAG is repayable under certain circumstances, primarily following the sale of the relevant almshouse property but will normally be restricted to net proceeds of sale.

i) Investment Properties and Investments

Land and buildings (other than housing properties) are stated at market value. The valuation is formally reviewed every 5 years by external valuers and annually assessed by the trustees. There is no record of the original cost of these properties which form part of the Endowment Fund. Any disposal proceeds will be reinvested in Endowment Funds upon disposal of any of the assets. Stock market investments are stated at fair value at the Balance Sheet date using bid prices of common investment funds. The Statement of Financial Activities includes the net realised and unrealised gains and losses arising on revaluations and disposals throughout the year.

j) Other Tangible Assets

Office, housing and garden equipment are capitalised and depreciated to write off the cost evenly over 3 years. A Stairlift is being written off over 10 years. Assets costing less than £500 are written off immediately.

k) Impairment Reviews

The Trustees consider that the value in use of Tangible Fixed Assets exceeds the net book value disclosed in the accounts so an impairment review is not necessary.

l) Pension Costs

The charity contributes to the Church of England Funded Clergy Pensions Scheme, a defined benefit, multi-employer scheme, for eligible employees. The charity also contributes to a defined contribution pension scheme for other employees. The assets of these schemes are held separately from those of the Charity. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charity in the year.

ST NICHOLAS' HOSPITAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 9

l) Value Added Tax

In these accounts, where applicable, expenditure is shown inclusive of VAT.

m) Cash Flow Statement

Under the Financial Reporting Standard FRS102 the Charity is not required to produce a Cash Flow Statement as it is a small entity.

n) Taxation

St Nicholas' Hospital is a registered Charity, and is therefore exempt from liability to taxation on its Income and Capital Gains.

o) Debtors

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

p) Cash at bank and in hand

Cash at bank and in hand includes cash and cash on deposit.

q) Liabilities

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

r) Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value, except for investments, see note (i).

2. INCOME FROM DONATIONS AND LEGACIES

	<u>2022</u>	<u>2021</u>
Unrestricted Funds		
Donations	2,780	-
Restricted Funds		
Chapel and other collections	6,488	5,863
Total	<u>£9,268</u>	<u>£5,863</u>

3. INCOME FROM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Unrestricted Funds		
Rental Income		
Master's House Contributions	3,090	2,000
Rents from let agricultural land	2,146	2,146
Rents from let properties	16,860	16,860
	<u>22,096</u>	<u>21,006</u>
Way leaves	<u>121</u>	<u>129</u>
Investment Income		
UK Bank Deposit Interest	36	-
UK Dividends	110,456	108,701
	<u>110,492</u>	<u>108,701</u>
Total Unrestricted funds	<u>132,709</u>	<u>129,836</u>
Restricted Funds		
UK Bank Interest	-	-
Total income from investments	<u>£132,709</u>	<u>£129,836</u>

4. OTHER INCOME

	<u>2022</u>	<u>2021</u>
Unrestricted Funds		
Sundry income	-	150
Common room donations and Guest room income	535	813
	<u>£535</u>	<u>£963</u>

5. TRUSTEES' EMOLUMENTS AND RELATED PARTY TRANSACTIONS

Except for the Master, none of the Trustees received any emoluments or benefits or reimbursement for expenses for acting as Trustees in 2022 or 2021. The Master, who is also ex-officio a Trustee, is entitled under the Charity Commission Scheme 1961 to receive a salary paid out of the income of the charity and also to reside at the Master's House at the Hospital, free of rent, rates and taxes. The charity also pays the heating costs. The emoluments of the Ven C J Baston were £29,942 plus £9,653 for Clergy pension contributions. There were no other related party transactions.

ST NICHOLAS' HOSPITAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 10

6. EMPLOYEE INFORMATION

The average headcount of persons employed during the year was 3 (2021: 3). No employee received emoluments in excess of £60,000 p.a. in 2022 or 2021. The Charity considers key management personnel comprise the trustees and the Clerk. The total employment benefits of the key management personnel were £56,818 (2021: £56,005).

	<u>2022</u>	<u>2021</u>
Staff Costs		
Wages and salaries	56,697	50,918
Social Security costs	117	118
Pension costs	10,154	10,802
	<u>£66,968</u>	<u>£61,838</u>

7. EXPENDITURE ON RAISING FUNDS

Unrestricted Funds		
Repairs and Management of Let Properties		
Surveyor's fees	<u>2022</u>	<u>2021</u>
General maintenance and major works	1,933	480
Insurance	-	16,812
	643	731
	<u>£2,576</u>	<u>£18,023</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

2022	Unrestricted <u>Funds</u>	Restricted <u>Funds</u>	Recoupment & Endowment <u>Funds</u>	Total <u>2022</u>
Housing and community services	83,060	-	-	83,060
Charitable donations	-	5,770	-	5,770
Support costs	38,810	-	-	38,810
Repairs, maintenance and improvements	82,110	-	-	82,110
Governance costs	44,682	-	-	44,682
Depreciation	2,196	-	13,401	15,597
	<u>£250,858</u>	<u>£5,770</u>	<u>£13,401</u>	<u>£270,029</u>

2021	Unrestricted <u>Funds</u>	Restricted <u>Funds</u>	Recoupment & Endowment <u>Funds</u>	Total <u>2021</u>
Housing and community services	83,990	-	-	83,990
Charitable donations	-	5,861	-	5,861
Support costs	34,389	-	-	34,389
Repairs, maintenance and improvements	92,303	-	-	92,303
Governance costs	39,862	-	-	39,862
Depreciation	2,196	-	13,401	15,597
	<u>£252,740</u>	<u>£5,861</u>	<u>£13,401</u>	<u>£272,002</u>

Support costs comprise:	<u>2022</u>	<u>2021</u>
Master's salary and pension (½)	19,798	18,740
Clerk's salary (½)	8,553	9,263
Pastoral Assistant salary	10,150	5,833
Telephone and internet	-	257
Subscriptions and courses	309	295
	<u>£38,810</u>	<u>£34,388</u>

Governance costs comprise:	<u>2022</u>	<u>2021</u>
Accountants' remuneration		
For Accountancy services	5,452	3,118
For Independent Examination	2,000	2,000
Master's salary and pension (½)	19,798	18,739
Clerk's salary (½)	8,553	9,263
Bank charges	81	109
Trustee insurance	484	1,785
Stationery, copier, IT and postage	2,274	2,507
Telephone and internet	2,622	2,301
Legal & professional fees	3,418	40
	<u>£44,682</u>	<u>£39,862</u>

ST NICHOLAS' HOSPITAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 11

9. TANGIBLE FIXED ASSETS

(a) Housing Land and Buildings (Freehold)

	<u>Pelly House</u>	<u>McInnes House</u>	<u>Flat Conversion</u>	<u>Garden House</u>	<u>Total</u>
COST					
As at 1 January 2022 and at 31 December 2022	20,288	75,572	34,185	605,781	735,826
DEPRECIATION					
As at 1 January 2022	20,288	8,503	13,806	302,884	345,481
Charge for the year	-	387	628	13,767	14,782
As at 31 December 2022	20,288	8,890	14,434	316,651	360,263
NET BOOK VALUE					
As at 1 January 2022	-	67,069	20,379	302,897	390,345
As at 31 December 2022	-	66,682	19,751	289,130	375,563

Freehold land and buildings represent the cost of developments since 1964 part funded by Housing Association Grants (HAG) of £77,832. There is no record of the original cost of the Hospital and developments before 1964, so a nil value has been used in these accounts. The original almshouse is a 13th Century, Grade II listed building and this, together with the more modern buildings on the Hospital's site are insured for approximately £10.7 million. Of the net book value of £375,563, £17,412 was provided from the Hospital's General Fund, £280,319 from its endowment capital and the rest by HAG. The £585,176 spent on the Garden House from Endowment funds is to be recouped over 59 years from 1999 to the year 2057. The twenty- third and twenty-fourth instalments were made in 2022, see Note 16.

(b) Other Tangible Assets

	<u>Stairlift</u>	<u>Office Equipment</u>	<u>Garden Shed</u>	<u>Lawn Mower</u>	<u>Total</u>
COST					
As at 1 January 2022	4,999	2,372	4,432	5,193	16,996
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 December 2022	4,999	2,372	4,432	5,193	16,996
DEPRECIATION					
As at 1 January 2022	1,000	1,739	4,432	5,193	12,364
Charge for the year	500	316	-	-	816
As at 31 December 2022	1,500	2,055	4,432	5,193	13,180
NET BOOK VALUE					
As at 1 January 2022	£3,999	£633	£ -	£ -	£4,632
As at 31 December 2022	£3,499	£317	£ -	£ -	£3,816

10. FIXED ASSET INVESTMENTS

(a) Investment Properties

	<u>2022</u>	<u>2021</u>
Valuation at 1 January 2022	875,000	875,000
Unrealised gains / (losses) on revaluation	1,350,000	-
Valuation at 31 December 2022	£2,225,000	£875,000

There is no record of the original cost of the investment properties.

Properties were revalued at 31 December 2022 by external valuers, Messrs Myddelton & Major, Chartered Surveyors and Symonds & Sampson, Chartered Surveyors, taking into account the tenancy agreements in force at that date. All investment properties are permanent endowments of the Charity.

ST NICHOLAS' HOSPITAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Page 12

10. FIXED ASSET INVESTMENTS (continued)

(b) Common investment funds

	Endowment funds		Unrestricted funds		
	Endowment Fund	Recoupment Fund	Extraordinary Repair Fund	General Fund	Total
Market value at 1 January 2022	3,788,709	245,310	122,152	31,841	4,188,012
Additions at cost	-	20,000	-	-	20,000
Disposals at opening value	-	-	(32,343)	-	(32,343)
Transferred to/from	-	-	-	-	-
Unrealised investment gains/(losses)	(440,455)	(29,233)	(10,441)	(3,702)	(483,831)
Market value at 31 Dec 2022	<u>3,348,254</u>	<u>236,077</u>	<u>79,368</u>	<u>28,139</u>	<u>3,691,838</u>
Historical Cost at 31 Dec 2022	<u>1,924,115</u>	<u>233,000</u>	<u>71,098</u>	<u>26,536</u>	<u>2,254,749</u>

All investments are CCLA common investment funds and valued by reference to bid prices at the date of valuation. All investments are carried at fair value. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

11. DEBTORS

	2022	2021
Other debtors	2,484	-
Prepayments	9,967	7,595
Accrued income	1,246	1,143
	<u>£13,697</u>	<u>£8,738</u>

12. CASH AT BANK AND IN HAND

	2022	2021
Restricted Funds		
Chapel Fund	718	-
Unrestricted Funds		
COIF Deposit Fund - income account	1	-
Other bank accounts	42,351	63,831
	<u>42,352</u>	<u>63,831</u>
Total cash at bank and in hand	<u>£43,070</u>	<u>£63,831</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Trade creditors - Building works	8,005	13,205
Pension scheme	940	10,308
Accrued accountancy and independent examination	6,036	4,788
Other accruals	6,071	6,159
Other creditors	14,139	7,025
Deferred income	573	573
Other creditors	98	95
	<u>£35,862</u>	<u>£42,153</u>

14. ENDOWMENT FUNDS

	Endowment Fund	Recoupment Fund	Total
At 31 December 2022			
Balance at 1 January 2022	4,957,433	245,309	5,202,742
Expenditure - depreciation on buildings	(13,401)	-	(13,401)
Transfers - capital recouped (2 years)	-	20,000	20,000
Unrealised investment gains/(losses)	909,545	(29,233)	880,312
Realised investment gains/(losses)	-	-	-
Balance at 31 December 2022	<u>£5,853,577</u>	<u>£236,076</u>	<u>£6,089,653</u>

	Endowment Fund	Recoupment Fund	Total
At 31 December 2021			
Balance at 1 January 2021	4,498,352	208,895	4,707,247
Expenditure - depreciation on buildings	(13,401)	-	(13,401)
Transfers - capital recouped	-	-	-
Unrealised investment gains/(losses)	472,482	32,310	504,792
Realised investment gains/(losses)	-	4,104	4,104
Balance at 31 December 2021	<u>£4,957,433</u>	<u>£245,309</u>	<u>£5,202,742</u>

The Endowment Fund is reduced by the depreciation charges on buildings which have been allocated to each fund in proportion to how the buildings were funded. Investment gains and losses are charged against the funds in which they occur.

14. ENDOWMENT FUNDS (continued)

Recoupment Fund:

By an Order of the Charity Commission dated 10 June 1993 the Trustees of St Nicholas' Hospital are to recoup capital of up to £585,176 spent on the new annexe (Garden House) in 1993 and 1994. Recoupment payments are to be made out of the Charity's income for 64 years from 1994 as follows:

1994 - 1998	Nil
1999 - 2056	£10,000 per year
2057	5176

The income from these sums may be used as unrestricted income of the Charity.

15. RESTRICTED FUNDS

At 31 December 2022

	Housing Association Grant	Chapel Fund
Balance at 1 January 2022	77,832	-
Income	-	6,488
Expenditure	-	(5,770)
	-	-
Balance at 31 December 2022	<u>£77,832</u>	<u>£718</u>

At 31 December 2021

	Housing Association Grant	Chapel Fund
Balance at 1 January 2021	77,832	(2)
Income	-	5,863
Expenditure	-	(5,861)
	-	-
Balance at 31 December 2021	<u>£77,832</u>	<u>-</u>

The Housing Association Grant (HAG) is repayable under certain circumstances, primarily following the sale of the relevant almshouse property but will normally be restricted to net proceeds of sale.

The Chapel Fund represents amounts set aside for specific costs associated with St Nicholas' Hospital's chapel. It also receives and disburses the chapel's offertory collections.

16. UNRESTRICTED FUNDS

At 31 December 2022

	Extraordinary Repair Fund	General Fund	Total
Balance at 1 January 2022	122,152	85,679	207,831
Income	-	231,490	231,490
Expenditure	-	(253,434)	(253,434)
Transfer from Extraordinary Repair Fund	(29,518)	29,518	-
Transfer to Recoupment Fund (2 years at £10,000)	-	(20,000)	(20,000)
Realised gains/(losses) on investments	(2,825)	-	(2,825)
Unrealised gains/(losses) on investments	(10,441)	(3,702)	(14,143)
Balance at 31 December 2022	<u>£79,368</u>	<u>£69,551</u>	<u>£148,919</u>

At 31 December 2021

	Extraordinary Repair Fund	General Fund	Total
Balance at 1 January 2021	106,919	133,557	240,476
Income	-	218,914	218,914
Expenditure	-	(270,763)	(270,763)
Transfer from Extraordinary Repair Fund	-	-	-
Transfer to Recoupment Fund	-	-	-
Realised gains/(losses) on investments	-	-	-
Unrealised gains/(losses) on investments	15,233	3,971	19,204
Balance at 31 December 2021	<u>£122,152</u>	<u>£85,679</u>	<u>£207,831</u>

The Extraordinary Repairs Fund represents amounts set aside to carry out major repairs, improvements or rebuilding of the Hospital buildings and other property belonging to the Charity. Investment gains and losses are charged against the funds in which they occur.

The General Fund represents the free funds of the Charity which are not designated for particular purposes.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 December 2022

	Recoupment & Endowment Capital Fund	Restricted funds Social Housing Grant	Chapel Fund	Unrestricted funds Extraordinary Repair Fund	General Fund	Total
Housing Land and Buildings						
1964-66 Pelly House	-	-	-	-	-	-
Garages	-	-	-	-	-	-
1978-79 McInnes House	-	64,360	-	-	2,322	66,682
1981-83 Flat Conversion & Extension	1,030	13,472	-	-	5,249	19,751
1993-94 Garden House	279,291	-	-	-	9,839	289,130
	<u>280,321</u>	<u>77,832</u>	<u>-</u>	<u>-</u>	<u>17,410</u>	<u>375,563</u>
Other Tangible Assets	-	-	-	-	3,816	3,816
Investment Properties	2,225,000	-	-	-	-	2,225,000
Common Investment Funds	3,584,332	-	-	79,368	28,138	3,691,838
Debtors	-	-	-	-	13,697	13,697
Cash at bank and in hand	-	-	718	-	42,352	43,070
Creditors	-	-	-	-	(35,862)	(35,862)
	<u>£6,089,653</u>	<u>£77,832</u>	<u>£718</u>	<u>£79,368</u>	<u>£69,551</u>	<u>£6,317,122</u>

In the Trustees' opinion sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed. The General Fund has available free reserves of £48,325 and the Extraordinary Repair Fund £79,368 will be used for repairs and improvements.

At 31 December 2021

	Recoupment & Endowment Capital Fund	Restricted funds Social Housing Grant	Chapel Fund	Unrestricted funds Extraordinary Repair Fund	General Fund	Total
Housing Land and Buildings						
1964-66 Pelly House	-	-	-	-	-	-
Garages	-	-	-	-	-	-
1978-79 McInnes House	-	64,360	-	-	2,709	67,069
1981-83 Flat Conversion & Extension	1,132	13,472	-	-	5,775	20,379
1993-94 Garden House	292,589	-	-	-	10,308	302,897
	<u>293,721</u>	<u>77,832</u>	<u>-</u>	<u>-</u>	<u>18,792</u>	<u>390,345</u>
Other Tangible Assets	-	-	-	-	4,632	4,632
Investment Properties	875,000	-	-	-	-	875,000
Common Investment Funds	4,034,019	-	-	122,152	31,841	4,188,012
Debtors	-	-	-	-	8,738	8,738
Cash at bank and in hand	-	-	-	-	63,831	63,831
Creditors	-	-	-	-	(42,153)	(42,153)
	<u>£5,202,740</u>	<u>£77,832</u>	<u>-</u>	<u>£122,152</u>	<u>£85,681</u>	<u>£5,488,405</u>

18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2022	2021
Capital Expenditure that has been authorised but has not been provided for in the Financial Statements	<u>£ -</u>	<u>£ -</u>

Operating Leases

The total of future minimum lease payments under non- cancellable operating leases is as follows:

	2022	2021
Less than one year	<u>£963</u>	<u>£963</u>
Between one to five years	<u>£1,444</u>	<u>£3,369</u>

The lease payments treated as expenditure in these accounts was £963 (2021: £963).

Contingent Liabilities

The Housing Corporation Grant (HAG) is repayable under certain circumstances, primarily following the sale of the relevant almshouse property but will normally be restricted to net proceeds of sale.

19. PENSION COMMITMENTS

Since May 2021, St Nicholas Hospital, Salisbury has participated as a Responsible Body in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2022: £8,653, 2021: £8,308), plus the figures in relation to the Scheme's deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £9,653 for 2022 (2021: £10,308).

ST NICHOLAS' HOSPITAL
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

19. PENSION COMMITMENTS (cont.)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020= 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the scheme was in surplus.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022	2021
Balance sheet liability at 1 January	2,000	-
Deficit contribution paid	(3,000)	-
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000	2,000
Balance sheet liability at 31 December	<u>-</u>	<u>2,000</u>

*Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumption are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0%	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5%	1.6% pa

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

20. POST BALANCE SHEET EVENTS

A new assured tenancy agreement was granted for 4 years from 1 April 2023 for one of the investment properties, and another property was vacated in February 2023 then put on the market. A grazing agreement ceased in May 2023 and an agricultural tenancy ended and is being renegotiated.