

ST NICHOLAS' HOSPITAL

REPORT OF THE TRUSTEES
AND
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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FLETCHER & PARTNERS
CHARTERED ACCOUNTANTS
SALISBURY

ST NICHOLAS' HOSPITAL
TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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The Trustees present their annual report and accounts for the charity for the year ended 31 December 2023. 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)
		Canon A Monds	(appointed 02.11.23)
		Mrs E F Hopkinson	(appointed 26.1.23)
		Mrs C E Romano	(re-appointed 28.10.21)
		Mr R D Trahair	(re-appointed 27.07.23)

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 One Angel Lane London, EC4R 3AB
	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
		- Simpson Hilder Associates Ltd 67a High Street, Lyndhurst, SO43 7BE
		- Philip Hughes Associates Old Manor Stables, Tout Hill, Wincanton, BA9 9DL
	Investment Managers	- CCLA Investment Management Limited One Angel Lane London, EC4R 3AB
	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 2023****LEGAL STATUS**

The Hospital is a registered charity in England and Wales with the registered 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 £119,788.

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 eight 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-optive 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 2023****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. Four residents moved on during the year, resulting in three flats becoming vacant. One through death, two as new chapters in their lives presented themselves and one as a result of infirmity, which meant that the resident was no longer able to live independently. All four flat vacancies were filled in 2023, with new residents moving in February and December 2023. The flats prior to occupation were re-painted, re-carpeted and showers installed instead of baths, where required, and in one case the kitchen was upgraded. It is anticipated that a further two flats will become vacant in the early part of 2024 and those who have expressed an interest in moving to St Nicholas will be contacted and interviewed as appropriate.

Chapel attendance has returned to normal after the various restrictions due to Covid. We have two part time organists and two local retired clergy who help with Communion services. Residents continue to take Morning Prayer.

Social events included a Coronation Tea Party, a Harvest lunch, and the St Nicholas Day celebrations as well as fund raising events for MacMillan Cancer and Christian Aid. With the emergence from the Covid restrictions more families and friends are making use of the guest accommodation and outside groups using the Hospital facilities.

In Finance and Facilities Management terms there have been important matters:

In 2023 the Trustees took the decision to sell one of the two let houses – 7 St Nicholas Road. There has been interest in the sale, but no offer has been made so far. The removal of the tenant has left the building empty with no rent coming in and continuing Council Tax and Utilities bills. A sale of the property for £600,000 was completed in May 2024.

Having all the flats occupied has meant that the Income from Residents was better than forecast in 2023, this was matched by steady dividends from the CCLA Investment Bank. Utility Bills are still a cause for an Expenditure concern, but donations from Residents of part of government Winter Fuel Payments has helped. Flat refurbishment costs have been more than forecast in 2023 coupled to the replacement of a leaking cold-water tank in Pelly House was also unexpected.

Facilities Management (FM) is a balancing act between what is planned for and what can be achieved in Budget given Residents moves in/out and emergencies. Not having a proper contingency fund in the Income and Expenditure Account also makes FM difficult. The Hospital now has Energy Performance Certificates for all the Hospital Flats.

REVIEW OF TRANSACTIONS AND FINANCIAL POSITION

The Charity's total income for the year was £239,680 including investment income of £111,234 from dividends plus £16,637 from let properties. The expenditure for the year was £263,588 of which £243,880 was on direct charitable activities. The net outgoing resources for the year were £23,908 before revaluation of investments (held in the COIF Charities Investment Fund income units). These COIF Charities 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. The value of the charity's investments increased by £344,889 (2022: decreased by £483,831). The COIF Charities Investment Fund reported a total return, including income, of 12.36% over the year, compared to its benchmark of 8.93% and comparator return of 13.30%.

Over the year, therefore, the Charity's resources increased by a total of £320,981.

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-fifth recoupment payment of £10,000, due under the 1993 recoupment scheme, was made in 2023 and invested in COIF Charities Investment Fund income units.

The Charity had net assets of £6,638,103 at the end of the year, including investments worth £4,046,727 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 £138,819 of which £19,031 is represented by land and buildings and fixed assets, leaving free reserves of £119,788.

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 25th July 2024 and signed on their behalf by:

Canon A Monds

.....
Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ST NICHOLAS' HOSPITAL

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I report to the trustees on my examination of the accounts of St Nicholas' Hospital (the charity) for the year ended 31 December 2023, which are set out on pages 5 to 15.

Responsibilities and basis of the report

As the charity's trustees of the charity 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.

Mrs N A Halls FCA
Chartered Accountant

Fletcher & Partners
Crown Chambers
Bridge Street
Salisbury
SP1 2LZ

Date: 26th July 2024

ST NICHOLAS' HOSPITAL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Recoupment & Endowment Funds</u>	<u>Total 2023</u>	<u>Total 2022</u>
INCOME FROM:						
Donations and legacies	2	2,233	8,665	-	10,898	9,268
Investments	3	127,871	-	-	127,871	132,709
Charitable activities						
Provision of accommodation		98,963	-	-	98,963	95,466
Other	4	1,948	-	-	1,948	535
TOTAL INCOME		<u>231,015</u>	<u>8,665</u>	<u>-</u>	<u>239,680</u>	<u>237,978</u>
EXPENDITURE ON:						
Raising funds						
Repairs and maintenance of let properties	7	10,680		-	10,680	2,576
Charitable activities						
Donations to charities	8	-	9,028	-	9,028	5,770
Provision of accommodation	8	230,479	-	13,401	243,880	264,259
TOTAL EXPENDITURE		<u>241,159</u>	<u>9,028</u>	<u>13,401</u>	<u>263,588</u>	<u>272,605</u>
Excess expenditure over income		(10,144)	(363)	(13,401)	(23,908)	(34,627)
NET GAINS/(LOSSES) ON INVESTMENTS						
Realised gains/(losses) on investment assets		-	-	-	-	(2,825)
Unrealised gains on investment properties	10a	-	-	-	-	1,350,000
Unrealised gains/(losses) on investments	10b	10,044	-	334,845	344,889	(483,831)
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS		(100)	(363)	321,444	320,981	828,717
TRANSFERS BETWEEN FUNDS	16	(10,000)	-	10,000	-	-
NET INCOME/(EXPENDITURE) BEFORE RECOGNISED GAINS AND LOSSES		<u>(10,100)</u>	<u>(363)</u>	<u>331,444</u>	<u>320,981</u>	<u>828,717</u>
OTHER RECOGNISED GAINS AND LOSSES		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS FOR THE YEAR		(10,100)	(363)	331,444	320,981	828,717
TOTAL FUNDS BROUGHT FORWARD		<u>148,919</u>	<u>78,550</u>	<u>6,089,653</u>	<u>6,317,122</u>	<u>5,488,405</u>
TOTAL FUNDS CARRIED FORWARD	17	<u>£138,819</u>	<u>£78,187</u>	<u>£6,421,097</u>	<u>£6,638,103</u>	<u>£6,317,122</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 2023

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

BALANCE SHEET AS AT 31 DECEMBER 2023

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
FIXED ASSETS			
Tangible Assets			
Housing land and buildings	9a	360,781	375,563
Other tangible assets	9b	<u>2,999</u>	<u>3,816</u>
		363,780	379,379
Investments			
Investment properties	10a	2,225,000	2,225,000
Common Investment Funds	10b	<u>4,046,727</u>	<u>3,691,838</u>
		<u>6,271,727</u>	<u>5,916,838</u>
TOTAL FIXED ASSETS		<u>6,635,507</u>	<u>6,296,217</u>
CURRENT ASSETS			
Debtors	11	10,802	13,697
Cash at bank and in hand	12	<u>21,474</u>	<u>43,070</u>
TOTAL CURRENT ASSETS		<u>32,276</u>	<u>56,767</u>
LIABILITIES			
Creditors - Amounts falling due within one year			
	13	<u>(29,680)</u>	<u>(35,862)</u>
NET CURRENT ASSETS		<u>2,596</u>	<u>20,905</u>
TOTAL NET ASSETS	17	<u><u>£6,638,103</u></u>	<u><u>£6,317,122</u></u>
FUNDS OF THE CHARITY			
CAPITAL AND RESERVES			
ENDOWMENT FUNDS	14	6,421,097	6,089,653
RESTRICTED INCOME FUNDS	15	78,187	78,550
UNRESTRICTED INCOME FUNDS	16	<u>138,819</u>	<u>148,919</u>
		<u><u>£6,638,103</u></u>	<u><u>£6,317,122</u></u>

These financial statements were approved by the Trustees on 25th July 2024 and signed on their behalf by:

Canon A Monds

Ven C Baston

Trustee

Trustee

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.

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 of fixed assets 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 2024, 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 between support costs and governance costs.

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.

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>2023</u>	<u>2022</u>
Unrestricted Funds		
Donations	2,233	2,780
Restricted Funds		
Chapel and other collections	8,665	6,488
Total	<u>£10,898</u>	<u>£9,268</u>

3. INCOME FROM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Unrestricted Funds		
Rental Income		
Master's House Contributions	3,300	3,090
Rents from let agricultural land	2,346	2,146
Rents from let properties	10,870	16,860
	<u>16,516</u>	<u>22,096</u>
Way leaves	<u>121</u>	<u>121</u>
Investment Income		
UK Bank Deposit Interest	56	36
UK Dividends	111,178	110,456
	<u>111,234</u>	<u>110,492</u>
Total Unrestricted funds	<u>127,871</u>	<u>132,709</u>
Restricted Funds		
UK Bank Interest	-	-
Total income from investments	<u>£127,871</u>	<u>£132,709</u>

4. OTHER INCOME

	<u>2023</u>	<u>2022</u>
Unrestricted Funds		
Sundry income	105	-
Common room donations and Guest room income	1,843	535
	<u>£1,948</u>	<u>£535</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 2023 or 2022. 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 £30,993 plus £8,814 for Clergy pension contributions. There were no other related party transactions.

6. EMPLOYEE INFORMATION

The average headcount of persons employed during the year was 3 (2022: 3). No employee received emoluments in excess of £60,000 p.a. in 2023 or 2022. The Charity considers key management personnel comprise the trustees and the Clerk. The total employment benefits of the key management personnel were £58,566 (2022: £56,818).

	<u>2023</u>	<u>2022</u>
Staff Costs		
Wages and salaries	59,198	56,697
Social Security costs	586	117
Pension costs	9,365	10,154
	<u>£69,149</u>	<u>£66,968</u>

7. EXPENDITURE ON RAISING FUNDS

Unrestricted Funds

	<u>2023</u>	<u>2022</u>
Repairs and Management of Let Properties		
Surveyor's fees	-	1,933
Legal and professional fees	5,954	-
General maintenance and major works	1,635	-
Council tax and utilities for vacant property	2,315	-
Insurance	776	643
	<u>£10,680</u>	<u>£2,576</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

2023	Unrestricted Funds	Restricted Funds	Recoupment & Endowment Funds	Total 2023
Housing and community services	101,414	-	-	101,414
Charitable donations	-	9,028	-	9,028
Support costs	40,199	-	-	40,199
Repairs, maintenance and improvements	41,257	-	-	41,257
Governance costs	45,413	-	-	45,413
Depreciation	2,196	-	13,401	15,597
	<u>£230,479</u>	<u>£9,028</u>	<u>£13,401</u>	<u>£252,908</u>

2022	Unrestricted Funds	Restricted Funds	Recoupment & Endowment Funds	Total 2022
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>

Support costs comprise:	<u>2023</u>	<u>2022</u>
Master's salary and pension (½)	20,196	19,798
Clerk's salary and pension (½)	9,087	8,553
Pastoral Assistant salary	10,583	10,150
Subscriptions and courses	333	309
	<u>£40,199</u>	<u>£38,810</u>

Governance costs comprise:	<u>2023</u>	<u>2022</u>
Accountants' remuneration		
For Accountancy services	3,424	5,452
For Independent Examination	2,000	2,000
Master's salary and pension (½)	20,196	19,798
Clerk's salary and pension (½)	9,087	8,553
Bank charges	60	81
Trustee insurance	484	484
Stationery, copier, IT and postage	3,090	2,274
Telephone and internet	2,842	2,622
Legal & professional fees	4,230	3,418
	<u>£45,413</u>	<u>£44,682</u>

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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 2023 and at 31 December 2023	20,288	75,572	34,185	605,781	735,826
DEPRECIATION					
As at 1 January 2023	20,288	8,890	14,434	316,651	360,263
Charge for the year	-	387	628	13,767	14,782
As at 31 December 2023	20,288	9,277	15,062	330,418	375,045
NET BOOK VALUE					
As at 1 January 2023	-	66,682	19,751	289,130	375,563
As at 31 December 2023	-	66,295	19,123	275,363	360,781

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 £360,781, £16,032 was provided from the Hospital's General Fund, £266,917 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- fifth instalment was made in 2023, 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 2023	4,999	2,372	4,432	5,193	16,996
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 December 2023	4,999	2,372	4,432	5,193	16,996
DEPRECIATION					
As at 1 January 2023	1,500	2,055	4,432	5,193	13,180
Charge for the year	500	317	-	-	817
As at 31 December 2023	2,000	2,372	4,432	5,193	13,997
NET BOOK VALUE					
As at 1 January 2023	£3,499	£317	£ -	£ -	£3,816
As at 31 December 2023	£2,999	£ -	£ -	£ -	£2,999

10. FIXED ASSET INVESTMENTS

(a) Investment Properties

	<u>2023</u>	<u>2022</u>
Valuation at 1 January 2023	2,225,000	875,000
Unrealised gains / (losses) on revaluation	-	1,350,000
Valuation at 31 December 2023	£2,225,000	£2,225,000

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.

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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 2023	3,348,254	236,077	79,368	28,139	3,691,838
Additions at cost	-	10,000	-	-	10,000
Disposals at opening value	-	-	-	-	-
Transferred to/from	-	-	-	-	-
Unrealised investment gains/(losses)	312,829	22,016	7,415	2,629	344,889
Market value at 31 Dec 2023	<u>3,661,083</u>	<u>268,093</u>	<u>86,783</u>	<u>30,768</u>	<u>4,046,727</u>
Historical Cost at 31 Dec 2023	<u>1,924,115</u>	<u>243,000</u>	<u>71,098</u>	<u>26,536</u>	<u>2,264,749</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

	2023	2022
Other debtors	505	2,484
Prepayments	9,905	9,967
Accrued income	392	1,246
	<u>£10,802</u>	<u>£13,697</u>

12. CASH AT BANK AND IN HAND

	2023	2022
Restricted Funds		
Chapel Fund	355	718
Unrestricted Funds		
COIF Deposit Fund - income account	1	1
Other bank accounts	21,118	42,351
	<u>21,119</u>	<u>42,352</u>
Total cash at bank and in hand	<u>£21,474</u>	<u>£43,070</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
Trade creditors	2,160	8,005
Pension scheme	1,473	940
Accrued accountancy and independent examination	5,160	6,036
Other accruals	7,971	6,071
Other creditors	11,721	14,237
Deferred income	1,195	573
	<u>£29,680</u>	<u>£35,862</u>

Deferred income relates to rental income received in the year, relating to 2024. At the start of the year £573 was released and at the end of the year £995 was carried over.

14. ENDOWMENT FUNDS

At 31 December 2023

	Endowment Fund	Recoupment Fund	Total
Balance at 1 January 2023	5,853,577	236,076	6,089,653
Expenditure - depreciation on buildings	(13,401)	-	(13,401)
Transfers - capital recouped	-	10,000	10,000
Unrealised investment gains/(losses)	312,829	22,016	334,845
Realised investment gains/(losses)	-	-	-
Balance at 31 December 2023	<u>£6,153,005</u>	<u>£268,092</u>	<u>£6,421,097</u>

At 31 December 2022

	Endowment Fund	Recoupment Fund	Total
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>

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	£5,176

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

15. RESTRICTED FUNDS

At 31 December 2023

	Housing Association Grant	Chapel Fund
Balance at 1 January 2023	77,832	718
Income	-	8,665
Expenditure	-	(9,028)
Balance at 31 December 2023	<u>£77,832</u>	<u>£355</u>

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>

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 2023

	Extraordinary Repair Fund	General Fund	Total
Balance at 1 January 2023	79,368	69,551	148,919
Income	-	231,015	231,015
Expenditure	-	(241,159)	(241,159)
Transfer from Extraordinary Repair Fund	-	-	-
Transfer to Recoupment Fund	-	(10,000)	(10,000)
Realised gains/(losses) on investments	-	-	-
Unrealised gains/(losses) on investments	7,415	2,629	10,044
Balance at 31 December 2023	<u>£86,783</u>	<u>£52,036</u>	<u>£138,819</u>

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>

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 2023

	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	-	-	1,935	66,295
1981-83 Flat Conversion & Extension	926	13,472	-	-	4,725	19,123
1993-94 Garden House	265,991	-	-	-	9,372	275,363
	266,917	77,832	-	-	16,032	360,781
Other Tangible Assets	-	-	-	-	2,999	2,999
Investment Properties	2,225,000	-	-	-	-	2,225,000
Common Investment Funds	3,929,180	-	-	86,783	30,764	4,046,727
Debtors	-	-	-	-	10,802	10,802
Cash at bank and in hand	-	-	355	-	21,119	21,474
Creditors	-	-	-	-	(29,680)	(29,680)
	<u>£6,421,097</u>	<u>£77,832</u>	<u>£355</u>	<u>£86,783</u>	<u>£52,036</u>	<u>£6,638,103</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 £33,005 and the Extraordinary Repair Fund £86,783 will be used for repairs and improvements.

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
	280,321	77,832	-	-	17,410	375,563
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>

18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2023	2022
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:

	2023	2022
Less than one year	<u>£1,011</u>	<u>£963</u>
Between one to five years	<u>£1,726</u>	<u>£1,444</u>

The lease payments treated as expenditure in these accounts was £1,011 (2022: £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 (2023: £8,814, 2022: £8,653), plus the figures in relation to the Scheme's deficit being recognised in the SoFA (2023: £NIL, 2022 £1,000), giving a total charge of £8,814 for 2023 (2022: £9,653).

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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 from 2013 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 finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the scheme was fully funded. The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

% of pensionable stipends	January 2021 to December 2022	January 2023 to December 2023
Deficit repair contributions	7.1%	0.0%

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2022 and over 2023 is set out in the table below.

	2023	2022
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
Balance sheet liability at 31 December	-	-

*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 and 2023 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 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0%
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5%

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

The sale of the investment property, 7 St Nicholas Road, was completed on 3 May 2024 with net sale monies of £589,164.20, which will be re-invested.